

THINK TANK INITIATIVE

**REPORT ON VISITS TO STUDY CENTERS IN HONDURAS,
GUATEMALA, PARAGUAY, PERU, AND BOLIVIA**

Consultant: Eugenio Rivera Urrutia

April 20, 2010

INDEX

Introduction

- a. Trip report
- b. Introductory remarks

Detailed report on the centers visited

HONDURAS

- 1. Foundation for Investment and Development of Exports – FIDE/CIPRES.
- 2. Foro Social de Deuda Externa y Desarrollo de Honduras – FOSDEH (Honduran Social Forum on External Debt and Development).

GUATEMALA

- 3. Asociación de Investigación y Estudios Sociales – ASIES (Social Research and Studies Association).
- 4. Instituto de Investigaciones Económicas y Sociales, Universidad Rafael Landívar – IDIES/URL (Economic and Social Research Institute).

PARAGUAY

- 5. Instituto Desarrollo -ID (Development Institute).
- 6. Centro de Análisis y Difusión de la Economía Paraguaya –CADEP (Center for the Analysis and Dissemination of the Paraguayan Economy).

PERU

- 7. Grupo de Análisis Para el Desarrollo –GRADE (Analysis for Development Group).
- 8. Research Center of the Universidad del Pacífico.
- 9. Instituto de Estudios Peruanos – IEP (Peruvian Studies Institute)

BOLIVIA

- 10. Fundación Milenio (Millennium Foundation).

11. Fundación ARU (ARU Foundation).
12. Institute for Advanced Development Studies –INESAD.
13. Instituto de Investigaciones Socio Económicas – IISEC (Socio Economic Research Institute).

Introduction

a. Mission travel report

Institutional visits to Honduras, Guatemala, and Paraguay, were made between February 21 and March 3, and during March 8-11, 2010, under the framework of selecting proposals for the Think Tank Initiative (TTI). In Honduras, (02/21 to 02/23) I participated in the mission and evaluation of the FIDE, together with A. Cicioni (IDRC-Montevideo), A. Rius (IDRC-Montevideo), E. Rodríguez (IDRC-Ottawa), S. Bona (IDRC-Montevideo) and F. Porta (consultant). After the first visit, the group divided and E. Rodríguez and F. Porta went to El Salvador while A. Cicioni and myself remained in Honduras to visit the FOSDEH (02/23 and 02/24). A. Rius joined us during the first day, but he later left the mission. In Guatemala (02/24 to 03/3) I participated in the visit and evaluation of ASIES and IDIES, together with A. Cicione. Later, between 03/8 and 03/11, we visited the Paraguayan institutions Instituto Desarrollo and CADEP. Finally, in Peru, we ended the first phase of the mission with visits to GRADE and CIUP in Lima, between March 15 and 19. In all cases, the questionnaires were completed with the Executive Directors, the members of the Executive Board, and the individuals mentioned as references; in addition, other interviews were conducted with individuals from the institutions. On March 22 the mission in Peru ended with interviews at the Instituto de Estudios Peruanos (IEP). That same day, I traveled with A. Cicione to Bolivia, where we stayed until April 2. Here, we visited the Milenio, ARU, INESAD, and HSEC foundations.

b. Introductory remarks

The visit to five different countries evidenced a hypothesis, which is essential to reiterate. The selected centers frequently reflect the overall intellectual and academic development of their countries, making it very difficult to make comparisons between centers located in different countries.

The analysis of the intellectual production makes it necessary to categorize centers. There is a first type of center, where the main output are studies that analyze problems of various nature, lack original research, are aimed at directly influencing the widest public opinion, and are characterized by trying to influence through the public debate. This is done through literary publication, reports, and the continuous presence in the media, be it through columns in newspapers, or Blogs. The members of these centers are also continually interviewed by the media.

A second type of center is characterized for making the development of studies that imply the generation and processing of new data a priority, applying sophisticated research

methodologies, and focusing on the production of reports for national and international governmental organizations. In general, they have limited media visibility and tend to avoid contact with the press. They gain influence through direct contact with the authorities or their technical teams.

A second clear distinction has to do with the life cycle of the research centers. It is possible to distinguish between those which have been founded recently, made up of a very small group of researchers that work in precarious conditions in a context of an incipient organizational development. On the other hand, there are centers that have existed for a long time and have a well developed infrastructure, including large buildings, an extensive intellectual production, and a large number of researchers.

The first type of center appears to constitute a node of a network of professionals joined by a discipline or by the fact that they belong to a generation which seeks to give an institutional expression to that network. They confront the difficult challenges of building a basic institutional framework and overcome the limitations of a leadership excessively based on one person. Ahead, they have the task of building a reputation, making themselves known to the various funding sources, and establishing relationships that ensure resource flow that will enable them to develop their own agenda. The second type of center refers to consolidated institutions that have a long and respected intellectual output history and frequently have members who are well known political figures.

In my personal view, these differences imply differentiated demands to TTI. In respect to the first type of center, the TTI must contribute to the establishment of basic governance and operational structures and possibly by supporting their optimization of access to financial resources. As per the second type of center, TTI should contribute to improve their current organizational level, which has enabled the achievement of a high intellectual production, but needs to identify the new course of development in order to prevent stagnation that would affect their efforts to achieve higher levels in the quality of the scientific production, capacity to influence, and more favorable access to resources so as to develop their own research agenda.

There is a third characteristic difference between independent centers and those linked to universities. The first show exclusive dependence upon resources they can generate, mainly from project-linked financing. They are exposed to an inevitable incentives system: researchers who do not find resources do not earn incomes. In this context, the entrepreneurial researcher appears, developing a great capacity to generate funding. For this reason, if these centers manage to survive the initial phase, after a while they experience surprising growth. In contrast, university centers have funds to finance a small staff of researchers that allocate part of their time to teaching activities. They respond to a different system of incentives, which means that obtaining project funding does not significantly affect their income. It may generate a bonus payment, sometimes an important one, and it may represent the possibility of financing field activities and, eventually, teams of researchers. University centers appear more stable but, in general, do not experiment an explosive growth.

University centers generate a paradox. It is reasonable to believe that having a protective umbrella such as a university, where human resources are financed, is the ideal soil for research growth. However, as has been pointed out, in the absence of governmental support, these centers do not experiment this growth. The key seems to lie in establishing an incentives system that significantly rewards the obtention of financial resources and that assigns material incentives to the development of pure or theoretical research as well as publications in well known international or national journals.

A brief comment regarding the governance of independent centers: Although various governance arrangements were observed, two distinct systems stand out. On the one hand, think tanks directed by their founders or part of them. In this case, the founders assume the managerial tasks and sometimes the responsibility for paying researchers' salaries. In this model, researchers do not participate in the institution's management and they participate limitedly in obtaining funds. These institutions frequently find themselves in a phase that could be called intermediate in their life cycle. On the other hand, there are institutions in which the management is assumed by the researchers themselves. In this case, they are responsible for generating financial resources. Generally, these are institutions in which the original founders have distanced themselves from the institution, be it for age or due to other commitments. It should be noted that this modality can be found among institutions that are just starting their operations.

1. Foundation for Investment and Development of Exports – FIDE/CIPRES.

1.1 Socio Political Context

FIDE is a private non-profit foundation and was established in March 1984 in the framework of the application of structural reforms promoted by international financial institutions aimed at solving the serious debt problems that affected the Latin American economies. Although the gravity of the debt situation in Honduras was far from the one faced by the more indebted countries of the region, problems were significant. In this context, USAID promoted and financed the establishment of entities aimed at promoting exports in several Central American countries to take advantage of the opportunities opened by international markets, particularly the United States. In Honduras the entity created for this purpose was the FIDE. It had and still has, wide support in Honduras, which at the time of its creation was expressed in the prompt approval of its legal standing as a foundation (only two months). In 2004, USAID agreed with FIDE on a new cooperation program aimed at conducting a series of studies to facilitate Honduras' compliance with its commitments with CAFTA. In this context, FIDE created CIPRES as the unit in charge of executing and contracting these studies.

Honduras is one of the least developed countries in Central America. The country is profoundly affected by the political events of June 28th, 2009, when the constitutional President was deposed and expelled from the country. Due to the establishment of a new government which the Organization of American States considered *de facto*, the country's international relations were severely affected and financial assistance was suspended. FIDE was also affected by this situation.

The election of José Lobos as new President of the Republic, and the installation of a national integration government which includes people from the different parties and individuals who were for and against the removal of the Zelaya administration, has led to the beginning of the reincorporation of Honduras to the international community. Countries such as the United States, Guatemala, and Costa Rica have recognized the new President and it is expected that in coming months international relations will be back to normal. The installation of a Commission made up of international and national public figures whose task is to investigate the causes that enabled the events of June 28th, 2009, will contribute to this end.

Honduras has increasingly good sources of statistical information. The National Institute of Statistics (INE), the Central Bank, and the Ministry of Finance contribute in this area. Access to general information is adequate although more specific and disaggregated information may be more difficult to obtain. Some analysts have pointed out that during the Zelaya administration data regarding poverty was manipulated, reducing the legitimacy of the country's main statistical organization. At the same time, INE is now charging for access to the household data base surveys.

Academic research has a precarious development in Honduras. Universities do not conduct research that may serve as the basis for the formulation of quality public policies. At the same time, considering the country's conditions, it is very difficult for an independent research institute to survive. It requires huge public service vocation, significant entrepreneurial capacity, and a strong commitment to the nation's development.

1.2 Research Quality

FIDE is not a research oriented institution, although before the establishment of CIPRES it conducted some research activities. It is in fact an entity aimed at the promotion of Honduran exports and of national and foreign investment. It also operates as an executing agency for World Bank and IDB technical assistance programs to the government of Honduras. The AID program which created the CIPRES in 2005 had a similar purpose: finance studies to implement the CAFTA.

This is evidenced by the type of studies financed (telecommunications, energy, and infrastructure) which were similar to those developed in other countries of the region in the context of the requirements to initiate these industries, since a general condition for the signature of the CAFTA was not only to privatize public enterprise, but also to authorize international enterprise to operate in telecommunications and other industries where governmental activity had been dominant.

According to FIDE's Executive Director, the resources contributed by USAID starting in 2005, presented an opportunity for the institution to develop significant research capacities. It is in this context, that the establishment of CIPRES must be understood.

However, the main studies were contracted with external consultants, and they did not provide training opportunities to CIPRES researchers in those fields. In this sense, the team that visited the institution concluded that those studies were defined by the donor agency and did not reflect a FIDE/CIPRES research program.

There is another group of studies on the determinants of economic growth, the short-term economic conditions, and economic policy, which better reflect FIDE's interests. Although they are relatively heterogeneous, some represent quality studies. Unfortunately, the professionals who conducted those studies left the institution, in part due to the suspension of external financing. Nevertheless, as was explicitly discussed in conversations with the executive management and the board, this decision was influenced by the low priority that FIDE authorities assigned to CIPRES in comparison with the institution's traditional activities.

At the same time, there is no interest in publishing those studies in academic journals, and there does not appear to be a clear research strategy.

1.3 Organizational Performance

FIDE has 34 employees. Currently, CIPRES has a precarious existence (the person acting as counterpart pointed out that the unit did not exist). The only researcher who remains in the institution works there half time and has two research assistants that are also part time employees. This is a result of the end of the AID program which created CIPRES. However, it seems that CIPRES only contracted studies and apparently never had an agenda of its own. Throughout its five years of existence, there seems to have been no more than two researchers at a time. Toward mid-2009, the program was ending, but the negotiations to renew it were interrupted by the political problems of June 28th. According to those interviewed, the negotiations were advancing well but, under these circumstances, personnel reductions were inevitable. In my opinion (shared with the other members of this mission) FIDE apparently was not willing to retain the team once the flow of resources from AID ceased.

1.4 Policy Linkages

FIDE has a wide network of relations. In the first place, its close relations with the Consejo de la Empresa Privada de Honduras —COHEP— (Honduran Private Enterprise Council) should be noted. Its excessive closeness to private sector organizations could be considered a risk. According to one of its directors, at one point there was the idea of transforming the FIDE into COHEP's think tank. The reasons for not advancing along these lines are not clear. It is possible to infer that such a decision could have limited access to funding.

During the interviews we asked about FIDE's possibility to access financing from the Honduran private enterprise. It is noteworthy that the categorical opinion was that it was impossible due to the lack of interest and disposition of Honduran entrepreneurs to be concerned about public problems. Nevertheless, FIDE's closeness with COHEP is very significant. FIDE associates have performed important functions in COHEP.

During President Maduro's government (2002-2006), seven of FIDE's associates were appointed to ministerial positions. The network of relationships in the government and Congress is good, and perhaps because of these links, FIDE has been the executing agency of World Bank and IDB projects. Relations with the new administration are also highly significant.

In spite of the good relations, the Executive Director and the board members reiterated that their proposals are paid little attention by the government. As an example, they pointed to the lack of receptivity regarding the studies on telecommunications, energy, as well as teachers' and public employee wages. In this latter case, the emphasis was on the high share of salaries in the total public expenditures.

1.5 Organizational Motivation

FIDE's Executive Director is a very motivated leader, and the same thing can be said about the Executive Board. However, this motivation is aimed at FIDE's traditional activities: the promotion of exports and investments. In CIPRES there was also no evidence of a great motivation to develop a think tank. The person who showed the most interest was a researcher who has been working for over six months in the Banco Centroamericano de Integración Económica (Central American Economic Integration Bank). It should be noted that CIPRES had important AID resources and after five years, it seems that there is nothing left from that experience. Furthermore, the value of research as a basis for public policy debate wasn't perceived.

1.6 Observations and Recommendations

Honduras has ample needs for the development of think tanks. Even when the legislative environment is not especially favorable for their creation and development, the precariousness of the Executive and the lack of technical support from Congress provide a wide space to exert influence. The development of high quality think tanks is a *sine qua non* condition for the development of the country and its economy. In spite of these opportunities, we could not perceive the willingness on the part of FIDE to build a true think tank. It is also unclear who would provide the resources that TTI would complement. Current research funds at CIPRES are very limited, and this constitutes a considerable risk. There is no strategic vision, or a thematic prioritization (the presumed macroeconomic vocation seems too vague). The different programs with international financing executed by FIDE for the government, which include several relevant issues, have not led to the creation of an intellectual pool for the development of a think tank.

The requirements to develop a think tank significantly exceed a possible TTI contribution, so the incorporation of FIDE/CIPRES to the TTI is not recommended.

As a first stage, the possibility that FIDE/CIPRES present a study project to the regular IDRC programs should be explored.

Persons Contacted

1. Licenciado José Arturo Alvarado, President/Chair
2. Ms. Vilma Sierra de Fonseca, Executive President
3. Antonio Young, Executive VicePresident
4. Ms. Teresa Deras, CIPRES' Technical Coordinator

5. Ana Gutiérrez, Research Assistant
6. Pablo Flores, staff member of the Banco Centroamericano de Integración, former CIPRES collaborator
7. Engineer Leonel Bendeck, Director
8. Doctor Richard Zablah Director
9. José Toribio Aguilera, Congressman. Chair of the Competitiveness, Follow-Up, and Control, and Finance and Banking Commissions, National Congress of Honduras
10. Rosalina Cobos, in charge of FIDE's institutional projection and corporate image
11. Juan Pablo Carías, in charge of FIDE's communications
12. Santiago Herrera, Coordinator of the National Competitiveness Program
13. Maydelline Rivera, Technical Quality Coordinator, National Competitiveness Program
14. Arturo Chávez, Former Coordinator of the IDB program in support of enterprises and trade, and currently in charge of the Danish program which continued the earlier program, incorporating the environmental variable.

2. Social Forum on External Debt and Development of Honduras – FOSDEH

2.1 Socio Political Context

FOSDEH is a young institution, created in 1995 but formalized only in 2003, becoming a legal entity in 2004. FOSDEH is made up of a series of organizations which joined efforts to monitor the evolution of external indebtedness, the use of those resources, and the problems that indebtedness could bring for the future development of the country. Among the institutions that make up the FOSDEH, the following should be highlighted: Colegio de Economistas de Honduras (Honduran Economists' Association), the Catholic Church, several evangelical churches, and other organizations associated with civil society. In all, there are 13 organizations that make up the FOSDEH Assembly. These institutions elect a board of five members every three years. The members chosen belong to the institutions that make up FOSDEH, as they designate the people that will represent them at the board. The entity that has had the greatest impact in FOSDEH is the ASONOG (Association of Non-Governmental Organizations). This entity not only contributed the first Executive Director, but was also in charge of FOSDEH's administrative tasks until it became a legal entity.

FOSDEH's actions were crucial for Honduras to achieve the cancellation of its external debt after the catastrophe caused by Hurricane Mitch. When the resources aimed at paying off the debt were freed, FOSDEH developed proposals for their use, and then they monitored the effective use of the resources, developing the capacity to evaluate the use of the resources and, in particular, the elimination of poverty orientation of the different programs. In this manner, FOSDEH has significantly diversified its research areas.

2. Research Quality

FOSDEH has a small and fairly qualified group of researchers who are highly committed to their jobs. It carries out research on macro and micro economic policies and it monitors global and national commitments relating to external debt and development. Priorities include fiscal policy analysis, the follow up of the budget aimed at making proposals for the different governments and, in the framework of their concern for poverty, the social audit, in particular, evaluating if fiscal policy has a pro-poor orientation. They constantly monitor the evolution of poverty starting from the evolution of unemployment, the adjustment of minimum wage and its impact on the level of economic activity and employment, and the fluctuations of remittances. Recently, the institution has been carrying out studies on productive chains.

The entity assigns a great deal of importance to the development of data bases that allow a review of the quality of government information and is capable of generating data in

areas in which they do not exist. This concern stands out in a country where the available statistical information is far from international standards. The institution's research is widely respected in the country. However, both the national coordinators as well as the different board members interviewed are conscious that it is necessary to take a significant step to serve more efficiently as a think tank to the organizations that make up FOSDEH, and to strengthen their capacity to operate as a government counterpart.

Looking at the organization's intellectual output in greater detail, the incipient development of the research capacity of the institution and the country is immediately evident. The short book, “¿Cómo enfrentar la crisis financiera internacional?” (How to Deal with the International Financial Crisis”, written by the FOSDEH's national coordinator with the support of researchers, consists of a brief analysis of Honduras's economic situation, and a set of relatively general proposals to face the crisis. A second publication which is relevant for our evaluation is the book, “Balance Crítico de la Estrategia de Reducción de la Pobreza” (Critical Balance of the Poverty Reduction Strategy). This is an analysis which, as its name suggests, seeks to debate with the government regarding the true progress made in advancing the strategy in poverty reduction. It concludes that the government has failed to reach the objectives initially proposed. This study represents a turning point from social audit activities, to a more comprehensive evaluation of public policies.

Looking ahead, FOSDEH is interested in developing analytical capacities for the study of tax evasion in order to contribute to efficiency and fiscal justice. At the same time, it is studying the impact of free trade agreements on different economic activities and social groups. Negative impacts have already been confirmed on small agricultural producers, because the speed at which protection has been eliminated has been greater than the ability to introduce productive transformations. In this context, FOSDEH has also verified increases in the trade deficit. Also, FOSDEH proposes to strengthen its research capacity in order to move from social auditing to the analysis of public policies.

2.3 Organizational Performance

FOSDEH is a non governmental, nonprofit organization employing 19 individuals, 60% of which work in research. It is a small but highly motivated organization. It has a board of 5 people, which represent each of the institutions chosen to direct the FOSDEH from among the associated entities. Its national coordinator is an economist with a PhD in development and cooperation, who has been a consultant for international organizations such as UNHCR, UNDP, BCIE, and OAS. Together with the national sub-coordinator, they make up the managing nucleus of the organization. Younger, full time researchers are collaborators.

Over time, FOSDEH has carried out research, although in its beginning it was action-oriented. This is evidenced when looking at their main donors (OXFAM and religious foundations), and the strong emphasis on training activities for civil society. It is also

reflected in the salary levels. In this regard, the national coordinator pointed out that one of the difficulties they were facing to maintain their team of researchers was the fact that many donor agencies were questioning the payment of higher salaries for researchers. It was pointed out that one of the main problems faced by the organization is attracting and maintaining high-level researchers.

There is somewhat of a dilemma between the goal of becoming a high-performance think tank and continuing to work with traditional donors which are more action-oriented. Since none of the cooperating agencies wants to finance proper salaries for the researchers, there is a mismatch between the entity's vocation and the observed financial flows. Therefore, TTI can play a significant role in the current stage of development of the organization.

2.4 Policy Linkages

Due to the organization's origin and nature, it has wide and strong relations with the civil society. The research undertaken responds to the requirements of its associates. In this sense, they have annual consultations where they update the research strategy which has a five-year horizon. The diversity of the associated institutions leads to frequent differences of opinion. FOSDEH tries to provide a technical basis for the debates, and each institution uses it according to their own convictions. In this sense, FOSDEH has progressed toward becoming the think tank of these organizations.

On the other hand, FOSDEH has maintained permanent communications with the successive governments and other entities in the country. In the negotiations to establish the CAFTA, they participated in the "Adjoining room".¹ The institution receives constant formal and informal applications for collaboration from the different governments, Congress, and sub-national government entities. Specifically, the new President has consulted with FOSDEH and it is preparing an economic proposal for the new Administration. FOSDEH has good relations with the President of Congress. Recently, the institution presented a comprehensive analysis on the political, economic, and social situation of the country to the Congress. The President of Congress also invited them to participate in a group to follow macroeconomic policy. The Minister of Finance, as well, has consulted the institution's point of view and has invited its members to meetings with international organizations.

FOSDEH assigns great importance to the training of civil society and educating public opinion. In this context, it regularly publishes the supplement "Realidad Nacional" (National Reality) in the newspaper "Prensa Escrita", one of the most widely read newspapers in the country.

¹ The negotiations of trade agreements involve government authorities of each country. Nevertheless, to ensure that the agreements reflect the interests of the different domestic groups, in each negotiation there is a "adjoining room" where representatives of the different social groups meet, and are consulted when there are important decisions to be made in the negotiating room.

On an international level, FOSDEH maintains various relations, among which the Center for International Development of the University of Dublin should be mentioned because it leads and supports a network integrated by IEN in Nicaragua and the Catholic University of Honduras. FOSDEH also belongs to LAPO, a Central American initiative to promote development, and the Red Latinoamericana de Deuda (Latin American Debt Network). It also maintains cooperative relations with the Instituto Centroamericano de Estudios Fiscales -ICEFI (Central American Institute of Fiscal Studies), and with Funde (El Salvador).

2.5 Organizational Motivation

While FOSDEH is a new, small organization, they are highly regarded by civil society and the Honduran government. Its aspiration and the great challenge it faces is to change from an action-oriented and public debate organization to an entity whose influence is based on its research capacity. This vision and disposition is shared by the various entities that comprise it and expect FOSDEH to become their think tank.

2.6 Observations and Recommendations

I am of the opinion that FOSDEH constitutes a successful think tank experience. Their studies are of auspicious quality and they reflect the development of social sciences in the country. Their strategic reflection and the current definition of their research lines are promising and prove their ability for future development. In a context such as the monitoring anticipated by the TTI, FOSDEH represents an entity which should be supported in the four-year modality.

As other organizations visited during this mission, there is a generation gap as well as one in relation to experience, between the coordinator, the national sub-coordinator, and the rest of the staff that works in research. The relative scarcity of intermediate level researchers probably results from the lack of resources to attract highly qualified professionals that are not yet well known, and have limited possibilities of obtaining resources on their own. Despite their research vocation, their income needs usually lead them to accept jobs of a different nature. This is a common situation among entities that lack public support and that develop their activities with international funding linked to specific projects.

However, this situation is also probably associated with the difficulties that these organizations face to carry out their work based on a wider group of researchers. In this sense, it will be important to supervise the establishment of a senior group of researchers, who will progressively take on the design and development of the research program starting from the needs of the associated institutions. In this sense, the work program

proposed by FOSDEH should include initiatives to strengthen the research team and advance, if possible, in strengthening a more collective decision-making process and the development of research work.

With TTI's aid, the consolidation of quality research by financing high level researchers, will contribute to this objective. In this sense, it is important that the resources of the TTI be partly allocated to, for example, contracting of doctoral students that finish their studies abroad and return to their country, looking for a place where they can conduct research. It is also important that these resources contribute to the development of ongoing initiatives to generate statistical information. In this way, the role of counterpart for governmental entities that produce statistics could be consolidated, and the transition from social auditing toward a systematic analysis of public policies could be strengthened. Also important is the funding of training courses in public policy analysis for the institution's researchers. In addition, some resources should be used to finance the search for resources from institutions that are more research oriented. This naturally includes allocating resources for the preparation of research proposals to be presented to those organizations.

Persons Contacted

1. Mauricio Diaz Burdett, National Coordinator, FOSDEH.
2. Raf Flores, National Sub-Coordinator, FOSDEH.
3. Ileana Morales, Researcher and Head of Communications.
4. Paula Diaz, Researcher.
5. Rigoberto Martell, Head of Information Systems and Data Bases.
6. Rodulio Perdomo, reference, Professor at the Universidad Nacional Autónoma and Associate Researcher at FOSDEH.
7. Sergio Membreño, Board member, Secretary of the Confraternidad Evangelica, and Executive Secretary of Comisión Verdad, (Truth Commission) created to investigate the causes of the events of June 28th, 2009.
8. Nelson Garcia, President of the Executive Bard, FOSDEH.

3. Asociación de Investigación y Estudios Sociales – ASIES (Social Research and Studies Association)

3.1 Socio Political Context

Guatemala is the largest country in Central America. During the 1940's, within the military and the Guatemalan society emerged progressive groups who sought to introduce policies of greater social justice and modernize the country. These efforts ended in 1954, when President Jacobo Arbenz was overthrown with the participation of foreign forces. The military coup gave way to a series of highly repressive conservative governments, and the appearance of guerrilla movements during the 60's led to a situation of acute violence in the country.

During the 1970's, significant efforts were initiated by intellectual circles to study the Guatemalan reality, search for mechanisms to establish a stable democratic regime, and contribute to the country's development. The appearance of progressive groups within the army brought to the political agenda the creation of conditions to move towards a democratic government in 1985. In this context, an important seminar was held in 1978 in the Universidad Rafael Landívar where a group of the most respected intellectuals of the country gathered. Despite the moderate character of the political tendencies that attended the seminar, the agreements reached during the event were not made public at the request of the President of the University fearing that the government would retaliate against the university. Despite these concerns, a group was established as a follow up to the seminar that would lead to the creation of the ASIES in 1982. During the period which led to its creation, multiple activities were carried out. In 1985 a civilian was elected President of the Republic for the first time in years. Vinicio Cerezo, leader of the Christian Democrat Party of Guatemala, took power with the objective of advancing in the consolidation of the rule of law. Many of the associates of ASIES went to work with the new Administration.

However, armed conflicts of great importance between the army and the guerrilla affected the initial objectives. Violence led to the assassination of several thousand indigenous peoples. After a long war, and with the support of the international community, conversations led to the peace agreements of 1996. The ASIES associates played a crucial role in the negotiations and in the subsequent implementation of the agreements.

3.2 Research Quality

Like other organizations of this nature, ASIES developed intellectually on the basis of the study of the national reality and the preparation of global programmatic proposals

presented to the different parties that competed for the Presidency. As a result, several proposals were published: ‘Lineamientos de Estrategia para el Desarrollo Social y Económico de Guatemala 1991-1995’ (Strategic Guidelines for Social and Economic Development in Guatemala 1991-1995); ‘Estrategia de Desarrollo 1996-2000’ (Development Strategy 1996-2000); ‘Propuesta de Agenda Nacional 2003-2008’ (Proposal for a National Agenda 2003-2008); and ‘Agenda Nacional 2008-2011: Una propuesta’ (National Agenda 2008-2011: A proposal). Throughout this period, the German foundation Konrad Adenauer has played a main role in financing the entity.

The research of ASIES is structured on the basis of three departments: economic studies, political studies, and legal studies. In recent years, the research agenda has included the study of the institutional framework of the State with a strong emphasis on the security and human rights area so as to contribute to the strengthening of the Rule of Law. In this field a book is published annually to monitor the performance of the judicial system. The cooperative relationship with the Judicial Power is interesting, even if not always exempt of conflict. The second area addresses the institutional framework of political parties, including a follow-up of the parties, the electoral system and process, as well as addressing key subjects of the democratic culture. The third area, socio-economic, includes an analysis of the actual sector, public finance, monetary and banking sector, external sector, labor policies and rights, environmental policy, tourism strategy and its policies. The educational area was important a few years ago, but it has recently lost importance for budgetary reasons. However, one of the new objectives is to strengthen it. Finally, the research lines address subjects such as migration and remittances, the CAFTA follow-up, and the Central American Integration System – SICA, in Spanish.

The economic area is structured on the basis of the economic studies department directed by Carlos González Arévalo, an economist with comprehensive training and long experience in key economic policy positions. On this team, Lizardo Sosa, ASIES President and economist with a long time experience in the governmental economic sector, participates in the definition of the research priorities and in supervising the work program. Arnoldo Kuesterman, a distinguished economist, reviews the papers. Alongside the experienced economists mentioned, there is a team made up of young professionals, some of whom have Master’s degrees. The ASIES carries out periodic surveys for enterprises, thus becoming an important source of highly relevant economic data for the country. There is significant interdisciplinary activity involved in the implementation of the surveys.

3.3 Organizational Performance

The Assembly, comprised by 36 associates, is the highest body of the institution. Most of these associates are founding members, although some new members have slowly been incorporated. The founders are a group of very well-known individuals, distinguished public officials, with a clear democratic commitment, and a moderate political

orientation. Five of President Vinicio Cerezo's ministers are in the group. This circumstance was decisive in structuring a stable relationship with the Konrad Adenauer Foundation.

The Assembly of associates chooses an executive board of five members which is renewed in stages. There is an unwritten rule that directors cannot remain in their position for more than two periods. The board sets the strategic objectives of the organization and prioritizes the research agenda. They approve the budget that is presented to the Assembly, which meets twice a year.

ASIES has made the necessary efforts to maintain a group of permanent researchers. For this reason, even though researchers are financed by specific projects, none of them depend exclusively upon one project. Most of them have social security benefits.

The Executive Director maintains an open-door policy, as well as meeting regularly with the area supervisors. Each supervisor is in charge of his/her staff. Every three or four months there is a general meeting to review progress. Later, the coordinators analyze the problems faced by the institution and the advances of each project. There is much cooperation between projects. The organizational work environment seems quite positive.

The institution has difficulties in retaining good professionals after seven or eight years of working in ASIES. Their increasing obligations due to marriage and increasing family responsibilities, together with the high value placed by the market on professionals who have worked in ASIES, contribute to their exodus. "We compete for human resources with the government, international organizations, and the financial sector. Recently, a researcher abandoned the institution to become a Vice-Minister and another one was hired by the IDB." ASIES permanently makes efforts so their researchers can teach in universities with the dual objectives of complementing their incomes and staying in touch with the younger generations. In this sense, the working hours are flexible and evaluation is focused on the results. Practically the whole of the economic department, are university professors.

3.4 Policy Linkages

ASIES was created with strong links to the Guatemalan Christian Democrat Party. However, since its beginning, clear limitations were established to ensure the institution's autonomy. This decision was probably decisive in the survival of ASIES, after the complete disappearance of the political party. ASIES proposes to "*Provide basic inputs – research, analysis, and proposals– to the civil society, for the debate of the country's priority problems*". This approximation to the country's political and social life that transcends the political parties is reflected in the composition of their assembly of associates, many of which have taken very distinguished public positions over the past 25 years.

In this regard, Lizardo Sosa Lopez, who joined the institution in 1984 and is currently the President of the Board, stands out. A summary of his career shows how tightly ASIES was and continues to be, linked to the Guatemalan society. Sosa did his post-graduate work in Germany. When he returned to Guatemala in 1979, he joined the Rafael Landivar University as Dean of the School of Administration and Economics. In 1985, he became Vice-Minister of Finance of the military government then in power. This decision was made not for personal reasons, but in response to the objective of establishing a link between the economic policies of the administration in power – which sought to build the basis for a transition to democracy– and the Christian Democratic Party which seemed like the most likely winner of the elections. During Vinicio Cerezo's government (1985-1990), Sosa first assumed heading the Ministry of Economy (1986/1988), and then he became Planning Secretary for the Presidency of the Republic (1988/1989), and finally President of the Central Bank between 1989 and 1990. Later he was appointed to the Central Bank in three different administrations: in 1993, 2000-2002, and 2002-2006. He was elected Congressman in the Guatemalan Christian Democratic Party list, Vice-President, and President of the Congress of the Republic (1994-1996). He was later a candidate for the Vice Presidency in the general elections of 1995 for the Alianza Nacional (National Alliance), which included the Christian Democratic Party, the Union del Centro Nacional, and the Socialist Democratic Party, in which he came in third. He was a part of the Preparatory Commission on the Fiscal Pact (1998-2000) and member of the Group Promoting Fiscal Dialogue (2006-2008), both initiatives to consolidate public finances in the framework of the Peace Agreements.

Eduardo Stein was Minister of Foreign Relations between the years 1996-2000, and Vice-President of the Republic between the years 2004-2008. Roberto Moreno, Vice-President of the Board, is a Dean in the Universidad del Valle and was Vice-Minister and Minister of Education between 1996-2000.

The current Executive Secretary has a similar curriculum. She participates in the board and is a Maya leader with a long history in the fight for indigenous rights. The presence of this leader evidences the efforts made by ASIES to collaborate in the promotion of the rights of this portion of the population which has been historically postponed and whose comprehensive incorporation to the Guatemalan society constitutes one of the greatest challenges for the country.

The different lines of work and research bring ASIES in close contact with a number of different spheres of public policy. The institution's cooperation with the judicial system was already mentioned. At the same time, it has close connections with the International Commission against Impunity in Guatemala, whose Cabinet Chief, Ana Garcia, was interviewed by the IDRC mission in her capacity as contact person. The surveys carried out by the economic area are a benchmark for the government, businessmen, and economic analysts. In the political area, there are strong ties with the political parties and their representatives in Congress. Researchers from the institution publish "Contribuciones de ASIES" (ASIES Contributions) every week, in a newspaper of wide circulation, expressing their personal opinions on the different areas of interest for the institution. The selection of the contributions is made according to the current relevance

of the subject. ASIES also carries out training programs on a permanent basis, particularly for social leaders in the country's rural areas.

3.5 Organizational Motivation

ASIES finds itself in the midst of a profound reflective process. The challenges are wide ranging and the relevant subjects are numerous. For a long time, the Konrad Adenauer Foundation provided ample support to the institution. There were unrestricted resources which allowed ASIES to freely develop a wide research agenda. Currently, the resources from that entity represent 15% of total resources. There are new increasingly relevant subjects, such as youth, indigenous peoples, organized crime, and public security, which ASIES would like to add to its traditional concerns. The institution is also interested in promoting comparative and multidisciplinary studies, and advance in the consolidation of a permanent staff.

They reiterate that they are not a university and see themselves as a think tank which seeks to provide the political processes and public policies with quality research and information. There are many subjects on the agenda that have not been developed, for lack of researchers. It is not easy to train researchers in the Guatemalan conditions. The resources of the TTI are considered key to retain the better trained staff. They are interested in complementing some salaries, particularly to improve the initial conditions of professionals returning after graduate studies abroad. The efforts to professionalize the institution are ambitious; a Master's degree is the starting point, but they want to prioritize the hiring of personnel with PhDs who have previously worked with the institution and are temporarily employed by the government or international organizations.

Regarding the lines of work, they propose strengthening the Survey Center and they recognize the need to prioritize specific subjects, among which the contribution to strengthening the rule of law and the political system is highlighted. The economic area is another priority. It also appears as an important source of funding to ensure the sustainability of the institution in the medium- and long-term. It is an area where ASIES has ample prestige and it also has highly valued instruments. Nevertheless, it is necessary to make efforts to move from free service provision, to the sale of at least some services. This is the case, for example, of information generated by the construction survey that the Construction Companies Association could finance, since it is crucial for decision-making amongst its associates. The same is true of the opinion and political surveys.

ASIES is interested in strengthening econometric analysis and seeking greater specialization. Although there is a Central American Institute for Fiscal Studies (ICEFI, in Spanish; it should be noted that only one of its professionals has not worked in ASIES), the fiscal sector is considered key: how to combat evasion? This is one of the main subjects. How to advance in the modernization of tax collection and the scrutiny of public expenditures? This is another relevant subject.

Regarding non-economic subjects, the institution is interested in carrying out in-depth analyses of indigenous rights and their compatibility with the national legislation. Also important is to address the civil service career for district attorneys and judges. This is a key issue to build an independent judicial power.

3.6 Observations and Recommendations

In this consultant's opinion, ASIES constitutes an excellent candidate to be incorporated into the TTI in the four-year modality. Nevertheless, it confronts a key challenge, that is, generation renewal. The Assembly of associates is undoubtedly a group of very distinguished individuals, but they are in a very advanced stage of their professional life. Team leaders are also very experienced but, in some cases, there is a significant generation gap. Some hopes for institutional leadership renewal are set on the return of collaborators who have joined the government or international organizations. This implies having the resources that will allow attracting these individuals.

The Executive Director is planning to leave. Her plans are to apply to become President of the Board in the future. Her current position would be filled by the current Associate Executive Secretary, of a similar age as the Executive Director. Recently, six new associates have joined ASIES (five women and one male, all of whom are under 40 years of age), with good educational qualifications and that have previously worked in the institution and have ample experience. The institution insists on hiring local people who have been in contact with the association, and are committed to the organization.

The TTI should contribute to the generation of conditions for the transition to a new leadership that would project the institution toward the future. Those who currently direct the institution share this concern. However, more than goodwill is necessary. More room is needed for the new researchers to play leading roles, in addition to incentives to ensure that those who distinguish themselves in various projects remain in the institution. Without effective measures in this field, institutional continuity is at risk. Similar efforts should be carried out to motivate the return of highly qualified professionals and professionals who explored other areas. This implies financing attractive salaries. The new leaders of the institution should arise from individuals from within these two groups of professionals.

As has already been mentioned, the activity and project portfolio of ASIES is very relevant for Guatemala. Probably, a certain prioritization may be necessary to ensure a more effective use of the resources. As already indicated, collaboration with the judicial power addresses one of the most important issues for the future development of Guatemala. Activities in the economic sector are also very relevant and constitute a possible source of financing that could significantly contribute to the institution's long term sustainability. The TTI resources should be allocated, in part, to strengthening the professionalism of the surveys (political and related to economic activity) seeking also to

generate more products that may be sold to interested parties. This also implies investing resources in the information platform and the base information systems. The study of the Guatemalan political system is also a major priority.

Persons Contacted

1. Raquel Zelaya, Executive Secretary
2. Luis Felipe Linares, Associate Executive Secretary
3. Lizardo Soza Lopez, President of the Board
4. Roberto Moreno Godoy, Vice-President of the Board
5. Carmen Maria de Colmenares, Secretary of the Board
6. Alvaro Pop Ac, Board Member 1
7. Marta Altolaguirre Larraondo, Board Member 2
8. Olga Loarca, Assistant to the Executive Secretary
9. Pedro Prado, Coordinator of Economic Studies
10. Marvin Grijalva, Coordinator of the Computing Center
11. Karin de Maldonado, Coordinator of the Sociopolitical Department
12. Gladys Figueroa, Head of Communications
13. Ana Garita, Cabinet Chief of the International Commission Against Impunity in Guatemala

4. Instituto de Investigaciones Económicas y Sociales, Universidad Rafael Landívar – IDIES/URL (Economic and Social Research Institute).

4.1 Socio Political Context

The IDIES was created on November 12, 1975, as an affiliated entity of the Universidad Rafael Landívar. This University is part of the network of Jesuit universities in Latin America. At the time the IDIES was founded, Guatemala was governed by the military, and throughout the decade of the 1970's the institution made significant efforts to contribute to the establishment of a stable democratic regime and the study of the Guatemalan reality, as a way to aid in the country's development. The appearance of progressive groups within the army brought to the political agenda the creation of conditions to move towards a democratic government in 1985. The first civilian President in years was elected. Vinicio Cerezo, leader of the Christian Democrat Party of Guatemala took power with the objective of advancing toward the consolidation of the rule of law. However, armed conflicts of great importance between the army and the guerrilla affected the initial objectives. Violence led to the assassination of several thousand indigenous peoples. After a long war, and with the support of the international community, a wide ranging dialogue led to the peace agreements of 1996.

4.1 Research Quality

IDIES has a staff of 19, of which 75% work in research. The institute has several research areas. A first area is oriented toward the analysis and evaluation of social policies, in order to establish their incidence and impact.

IDIES assigns a special relevance to the study of migration which, in the case of Guatemala as in most other Central American countries, constitutes a particularly important phenomenon. Together with the analysis of the macroeconomic and microeconomic impact of remittances, IDIES pays special attention to the cultural impacts that these migrations have on the country and its population.

Regional development is also an area of interest for IDIES. A priority in this regard is the calculation of GDP by department (GDP at the national level is calculated by the Central Bank). Special attention is paid to the study of local/territorial economic processes so as to explain the unequal development that characterizes the different regions of the country and the diverse territorial dynamics of poverty and inequality. These studies seek to generate proposals for regional development in close contact with local actors. Maps of assets or economic potential have been created for two regions in association with the Centro Latinoamericano de Desarrollo Rural –RIMISP (Latin American Center for Rural Development) in Chile (financed by IDRC). The research takes advantage of the agricultural census and alternatives to the use of national accounts to estimate the

regional GDP. A central interest is to identify the relative positions of the different departments. From an analytical point of view regarding poverty and its regional dynamics, the studies of the department of Alta Verapaz are indicative of the relevance of the area under study. It is a very poor department of the country but, paradoxically, has many natural resources (large coffee and palm production). The working hypothesis points to the existence of inter-regional transfers due to the high concentration of land. It uses a methodology that links the micro-survey maps with census data. These studies would lead to regional development strategies that have an influence on the dynamics of production and on the reduction of poverty.

Another line of study is entrepreneurial analysis. Its objective is to promote entrepreneurial competitiveness to boost economic growth, employment generation, and reduction of poverty. This area specializes in studies regarding consumers, territorial marketing, entrepreneurship, finances, and sectoral analysis. Special importance is given to the analysis of the financial sector. This is particularly relevant due to the strong incidence of drug trafficking and money laundering in the country.

In general, IDIES' research is highly valued by international organizations.

4.3 Organizational Performance

IDIES went through an apparently difficult phase. This was reflected in the fact that a number of publications were not issued for a long period of time. At the same time, a number of researchers went to study abroad, and several stayed abroad.

After a period of strong adjustment to recover financial stability, the University initiated a review of its academic activities. Following the dominant trends, the University had relied excessively on part-time teachers, so efforts were made to hire more full-time teachers. This process was carried out in parallel with the accreditation of its different academic units. In that context, the status of research in the university was also analyzed. The results of the evaluation were unsatisfactory. The institutes were at a standstill and there was lack of communication between them. Research was unilaterally determined by the donors. In several opportunities, contracts did not allow the Universities to use the data obtained in consultancies for the development of academic research.² There was also the vision that research had to be at the service of teaching. All these circumstances led to the weakening of research activities.

On the basis of this evaluation, the Universidad Rafael Landívar has been building the grounds to develop a solid research area that strengthens the University's capacity to impact upon national development. With this objective, in 2009 it created the Research Vice-presidency which joined 11 of the University research institutes. To facilitate and promote high level research, the University has created a system of incentives so that qualified researchers work full time in research activities. This system implies the

² This was the case of the studies involving conditional transfers.

possibility that researchers may receive salaries that are 100% above the salaries of regular full time academic staff.

Simultaneously, efforts have been made to establish general lines of work that provide a referential framework for each institute's activities. The aim is to focus on the subject of development models. With the participation of all the institutes, it has been decided to promote interdisciplinary work, emphasize the analysis of social fragmentation, inequity, environmental problems, social justice, the recreation of the social fabric, and inter-cultural issues.

The University's priority is to transform research into a central activity. The idea is that students should engage in research as part of their training. It is a very relevant turn for Guatemala, since some Universities in the country argue that research is a task for developed countries.

IDIES has a good team of senior researchers. Three of them are noteworthy due to their academic training, their long experience, and their national prestige. There is also a group of highly motivated young researchers. Nevertheless, it should be noted that the lack of a mid-level team that could become the institutional leaders in the next few years is a risk. Contributing to this weakness is the fact that although there are academics studying abroad, some of them seem unwilling to return to Guatemala.

The institute's management is structured in the same way as many entities that are a part of universities. Its executive council is made up of the President, the academic and research Vice-President, and the university's research director. The day-to-day activities at IDIES are in charge of its director and the research director.

4.4 Policy Linkages

IDIES maintains important relations with organizations such as the United Nations Development Fund for Women (UNIFEM), the World Bank, and the Konrad Adenauer Foundation. In fact, three of the persons contacted belonged to these institutions. IDIES also has relations with the Municipality of Guatemala, with which they jointly developed different components for a project on conditional transfers, financed by the Italian Cooperation. The different studies on migration have opened the door to organizations of the civil society.

The University is undoubtedly a benchmark in Guatemala. Many individuals who have important public positions have studied at the University. However, probably associated with the precarious development of research, public influence is low. In fact, steps have been taken to strengthen it, such as hiring a public relations specialist. Institutional relations with the government are limited.

Due to the research related to migrations and poverty, IDIES has important relation with human rights and other social organizations.

4.5 Organizational Motivation

The executive team is highly motivated to re-launch IDIES in the context of the University's revaluation of research. On their part, researchers seem very interested in promoting their areas of interest. Their application to the TTI is an expression of their commitment.

Nevertheless, it is noteworthy that the current director was the faculty dean when IDIES was founded. Undoubtedly there is a need for a qualified nucleus of researchers that will bring fresh air to the institution. It is possible to expect that significant incentives will come from the Presidency and the Research Vice -Presidency.

4.6 Observations and Recommendations

This consultant recommends the incorporation of IDIES in the two year modality. The main problem that should be addressed during this period is strengthening the new generation of researchers, made possible with PhD degrees and a long-term commitment with the institution. This initiative would imply supporting two or three new specialists while they develop the capacity to generate projects. The new University guidelines will undoubtedly help in the success of this task.

It will be equally important to promote the diversification and extension of the relationships that IDIES builds with other public and social organizations in Guatemala. The University proper should be more pro-active in cultivating these relationships.

Regarding research contents, the work on the regional GDP is of great interest. Support for this line of research is crucial to consolidate the institution's economic analysis.

Persons Contacted

1. Licenciado Miguel Enrique von Hoegen Serrano, Executive Director.
2. Master Wilson Romero Alvarado, Research Director.
3. Carlos Cabarrus Pellecer, Research Vice President
4. Ariel Rivera, Administrative Vice President
5. Eduardo Valdés, Alternate President.
6. Carlos Pérez, World Bank Program Manager, Guatemala.
7. Adolfo Cermeño, Program Manager (Administration)

8. Miguel Ugalde, Coordinator – Migration Area
9. Victoria Pelaez, Researcher.
10. Oscar Grajeda, Coordinator of public policy area.

5. Instituto Desarrollo –ID (Development Institute)

5.1 Socio Political Context

After a long dictatorship, Paraguay has encountered difficulties in advancing toward development and consolidating democracy. Although it has a significant amount of human resources, the country has not been able to generate the adequate conditions for a sustained economic growth. The end of the dictatorship did not mean it was also the end of the predominance of the Colorado Party. On the contrary, due to its insertion in society and the opposition's inability to present a united front, the Colorado Party maintained its positions of power for a long time. Only after the appearance of a leader from outside the system, was it possible to open the system to democratic alternation. Nevertheless, the new administration has followed a path full of problems. Its precarious political base, made up of a great number of heterogeneous entities, has generated management difficulties. The lack of government experience has increased the challenges. The division of its political base has not helped to consolidate the new Administration.

This situation is deepened by the lack of qualified human resources. Even the Central Bank, which in the countries of the region is frequently an institution that gathers a critical mass of qualified professionals, in Paraguay suffers the lack of these. Universities do not have research centers, and as a consequence, successive governments require counterparts in the civil society that could promote a policy debate.

In this context, the Development Institute constitutes a think tank of great relevance. Its vision is interesting due to its combination of a clear vocation of excellence with the development of social capital: "Be a research and action institution with national and international recognition in training agents of change. Made up of a competent group, committed to the sustainable development of society, and which generates and implements models based on innovative social development projects and on academic research of international standards, which promotes the articulation of local and national public policies by strengthening the Social Capital".

In spite of its short history –it was founded in 2003– it has become an instrument of key importance for the implementation of studies financed by the government as well as by international entities such as the World Bank, IDB, UNDP, JICA, and others. Its main team has a high level of academic training, even for countries with relatively advanced development. Its capacity is evidenced by the fact that many of its collaborators had important positions in the government of Nicanor Duarte (2004-2008) while others participate in the current government.

5.2 Research Quality

The evaluation of the researchers and academics that constitute the central nucleus of the institution is good. Among the current senior researchers and specialists that have highly relevant positions –such as the current President of the Central Bank and in prestigious international organizations– there are several others who hold PhD degrees. This, added to the quality of the research developed, explains why the institutions mentioned above regularly use their services.

Within the ID, great substance has been assigned to establishing criteria for accepting external projects. Among them, the insistence that projects contribute to improving the institution's productivity and that they require the use of quantitative methods. The same would be done with resources from IDRC, but with more sophisticated instruments. They are interested in working with general equilibrium models but have difficulties because the input/output table dates as of 1982. The availability of statistics leaves much to be desired, and the statistics on poverty are an example of this. Inflation is only measured in Asunción and the metropolitan area. There is no information on decentralized governments. The ID wishes to contribute to the development of economic information.

In this context, the use of sophisticated quantitative methods that enabled ID to develop impact evaluations of TICs on Paraguay's educational system is noteworthy. In the same manner, in the area of policy formulation, the Comprehensive Rural Development Plan aimed at Small Rural Producers is also noteworthy. Together with the IDB, the institution coordinated an ambitious project on democratic governance. Although the wide ranging research agenda reflects the ID's need to access financing sources, it is also an expression of the existing research capacities and its ability to bring together distinguished professionals. Nevertheless, it should be noted that in spite of the foregoing, the ID has been able to define clear criteria to discriminate between the research demands that emerge from the various national and international organizations. In fact, the selection of projects strongly reflects the ID's strategic interest in developing, in the long-term, methodologies to design, monitor, and evaluate institutions. In this manner, the impact evaluation projects contribute to the development of quantitative evaluation instruments. The strategic planning projects carried out at the departmental and local level, where a strong emphasis is placed on community participation, contribute not only to improve policy formulation but also to the analysis of decision making processes at the different levels of public management.

The various studies and consultancies evidence the thematic relevance of the main lines of research. As an example, the following can be mentioned: the impact evaluation of preschool education on primary education, the study on democratic governance, and studies on food security. At the same time, it is important to highlight the effort to train public employees and those from governmental organizations in the use of different analytic methods. One of the results of some of the projects has been the training of counterparts in the use of quantitative methods for social policy evaluation. In this sense,

we have observed that there is a clear commitment to upgrading the general level of research and the evaluation of policies. Together with CONACYT, the ID developed methodologies for effective project management, and the promotion of a culture aimed at results.

5.3 Organizational Performance

The interviews conducted with the executive team and members of the cluster of researchers showed a highly motivated group in pursuit of the institutional objectives. At the same time, enthusiasm to advance in the main areas of research could be observed. There is a strong commitment to the implementation of strategic planning employing the same instruments used in organizational consultancies to governmental and private entities. Thus, dynamic models are used for establishing the means to achieve the institutional objectives.

As in other entities, the ID faces the exodus of many of its collaborators to important positions in national and international governmental organizations. This forces a permanent effort to recruit new members.

It is imperative to mention the constant concern to generate self-financing mechanisms that will enable the sustainability of the institution in the long-term in order to address the strategic research objectives. This is an important guiding element for the theoretical research work.

It is also important to highlight that the executive staff, in addition to their own tasks, are active researchers. Furthermore, the President of the organization plays a vital role in the development of the strategic perspective and leads some of the most important projects of the ID. At the same time, the Executive Director is actively involved in research activities. It should be mentioned that he has a PhD and ample experience in managing projects.

Nevertheless, and although the net effect of multiple activities by high ranking executives has an fully positive effect, it is a symptom of weak institutional development. In fact, for the visiting team, it was not easy to distinguish the President's functions from those of the Executive Director. In this area, the support of the TTI would be important if the ID is selected.

The institution's board is made up of three members, of which the President is also the principal researcher. The day to day operations are jointly conducted by the Executive Director with the President.

5.4 Policy Linkages

The members of the ID team are permanent consultants of the World Bank, IDB, and other international organizations that work with the government, such as the Japan International Cooperation Agency (JICA), and the FAO. The FAO hired the ID as a general coordinator for the food security project and also for the preparation of the medium term priorities plan.

Several members associated with the ID have occupied government positions at different levels, both in the previous and the current government.

In contrast with other entities under study, the ID does not make an effort to present its visions and proposals in the news media. It has opted explicitly for a low profile that will enable wider opportunities for collaborating with successive governments and different international institutions. According to the executive members of the entity, this modality of operation strengthens their capacity to influence public policies.

The ID has become a partner of prime importance to the large number of international institutions that operate in Paraguay. ID's influence on Paraguayan public policies is built, both at a central and a local level, through the implementation of multiple studies for those institutions. In this sense, ID constitutes an inevitable counterpart for the government on public policies.

5.5 Organizational Motivation

The executive members of the institution are highly committed. The same is true of the researchers. Research and academic interests coexist in the institution. They promote a Masters degree in development, another in educational policy, and also provide numerous special courses. The most important physical facilities are assigned to teaching activities. In fact, this consultant was taken aback surveying the unequal conditions in which researchers work, in contrast with the academic facilities.

There is a strong motivation to conduct research. Nevertheless, the organizational precariousness generates doubts regarding the entity's sustainability. There is a certain duality. Although there is a profound intellectual vision regarding what research should be, the institute's actions seem to correspond more closely to those of a consulting firm. According to this consultant, this is evidenced by the organizational precariousness.

5.6 Observations and Recommendations

Concluding this analysis, this consultant's recommendation is clear: the ID should be included in the TTI in a renewable two-year program. It is of key importance to support the institution in its institutional consolidation, strengthening the management systems, developing a professional career which will attract high-level researchers, and enable the maintenance and improvement of a high-quality research in circumstances where, inevitably, the staff will accept government and international positions.

Undoubtedly, ID's ambitious objectives of becoming a national leader in the development of methodologies related to the design, monitoring, and evaluation of policies and public institutions require support for the development of basic research with which to improve the consultancy work that the institution wishes to strengthen. The TTI should support the ongoing efforts to ensure long-term institutional sustainability. The objective of developing academic research regarding the theory of mechanisms will require the support of the TTI to strengthen academic links with leading institutions in this field. Specifically, support should be provided for research on decision making systems regarding public policy and the creation of methodologies for the compatibility of incentives. ID will also need to establish a solid team that works with linear and non-linear models in the development of tools to prioritize policies, and in the analysis of power and political institutions.

It is important to promote and consolidate a more diversified group of collaborators to attend to managerial responsibilities within the institution. A possible risk is the lack of political science and sociology professionals in the teams to carry out a more realistic analysis of the incidence of power and the sectoral interests in public policy decision making.

Persons Contacted

1. César Cabello, President and Senior Researcher
2. Jorge Corvalán, President of the Central Bank (reference person)
3. Idelín Molinas Vega, Executive Director
4. Jorge Morínigio, Junior Economist, research assistant
5. Víctor Vázquez, Director of the Technical Cabinet in the Ministry of Industry, in the Government of Nicanor Duarte. 2002-2004, Representative of Paraguay before the World Bank. Replaced Jorge Corvalán in the ID. Yaica Project, World Bank Project on climate change.
6. Carmen Arias, Associate Researcher (statistics).
7. María Graciela Almada, Coordinator of Project Implementation.
8. Analy Morales

6. Centro de Análisis y Difusión de la Economía Paraguaya – CADEP (Center for the Analysis and Dissemination of the Paraguayan Economy)

6.1 Socio Political Context

The fall of dictator Stroessner in 1989 did not mean the end of the regime headed by the Colorado Party. The following governments continued to be led by militants of that party within the framework of a competitive electoral system. The persistence of the hegemony of the Colorado Party can be explained by the strong and dense ties that this party maintained with the different social groups on the basis of a complex system of client relationships. Only the emergence of a leader with strong popular roots and the division of the Colorado Party in the last presidential election allowed a first experience of democratic alternation.

Consequently, it should not be surprising that the fundamental characteristics of society, the economy, and the state of Paraguay have persisted. The serious problems that had been accumulating in the country generated widespread concern which reached both the entrepreneurial groups and the rest of the social sectors. In this context the particular personality of Nicanor Duarte, leader of the Colorado Party and Presidential Candidate in 2003, emerges. As a political leader, he distinguished himself for his comprehensive training, and his attitude of open cooperation with different political sectors. In addition, he had very good relations with the founders of the Center for the Analysis and Dissemination of the Paraguayan Economy (CADEP).

The dictatorial inheritance has been costly for the country. The universities could not develop research centers whose work could form the foundation for public policies. This explains why, toward the end of the dictatorship, a number of opposition groups started to develop initiatives toward the establishment of think tanks that could make up for those deficiencies. One of those initiatives was the CADEP. Led by individuals who were returning to Paraguay after studying abroad, it proposed to carry out studies about the national reality that would serve as a basis for public policies. Thus, in 1993, the institution presented programmatic proposals that could serve the future government, regardless of the party that won.

Throughout the decade of the 1990's but mainly starting in 1997 and until 2003, CADEP carried out research on several subjects of high public relevance. At the same time, its executives developed a systematic public presence through the monthly publication of a magazine specialized in economics, and columns in one of Paraguay's main newspapers.

These activities transformed CADEP's collaborators into references of the public debate. Within this context, it was not surprising that when Nicanor Duarte was elected President of the Republic, he called the Executive Director of CADEP and other members of the institution to assume governmental responsibilities of the highest importance. Dionisio Borda, the main leader, became the Minister of Finance. This opened the possibility of

carrying out the wide ranging reforms that the different CADEP studies had identified as central for national development.

6.2 Research Quality

CADEP, a non-governmental organization was founded in June 1990. The institution was established with the objective of carrying out studies to improve the knowledge of the Paraguayan economy and society, and to serve as the basis for the design of public policies aimed at growth and economic development. The founders had been trained in U.S. universities. Its Executive Director obtained a PhD in economics.

On this foundation, during the 1990's, the institution developed several lines of research aimed at the preparation of government proposals. With this purpose, the professionals became permanent consultants for various international institutions, which enabled them to consolidate the organization and develop extensive experience in social science research. Among these consultancies, the following should be highlighted: "Design of Economic and Sectoral Policy for the Ministry of Agriculture", "Development of Economic Scenarios for the Educational Reform", "Analysis of the Central Administration (Executive Power) for the Report on Quality of Democracy and Governance Agenda", "Study on the Situation of the Paraguayan Economy and MERCOSUR", "Technical Review of the Financial Management Law of the State", and a "Consultancy for the Presidency of the Republic on the Implementation of the New Financial Administration Law of the State". All of this culminated in the Government Program 2003-2008, which the institution presented to presidential candidates.

The review of the biographical notes of the main researchers of CADEP shows a large number of articles published in specialized journals of the region, university publications, and other academic institutions in the United States and Europe, chapters of books published in the country and abroad, as well as several books edited by CADEP. It is this production and an active public presence that has given the associates of CADEP an essential role in the government of Nicanor Duarte and in the current government of President Lugo. Nevertheless, there are no publications in first level international journals.

6.3 Organizational Performance

Evaluated from different points of view, it can be concluded that CADEP is a successful think tank. Its incidence in Paraguayan public policies has been significant and permanent. Its distinguished career path as a think tank reached its zenith when, in two administrations of different political inclinations, its members had relevant government positions. More than ten associates have held relevant positions in the last two administrations. Retrospectively, it seems evident that in its first fifteen years of

existence, CADEP was successful in implementing an organizational arrangement that served its institutional objectives. It could be said that the maximum expression of its success was that its associates effectively migrated from the role as consultants in public policies, to key decision makers of the past two governments.

Ironically, the highest point of institutional success was also the time of greatest institution crisis. In fact, while its two main leaders were carrying out high governmental responsibilities in the presidency of Nicanor Duarte, the team that replaced them incurred in behaviors that seriously affected the institution. During that period, CADEP suffered a significant reduction of activity and several high quality researchers abandoned the institution. In 2005, when its founding members left the government due to political differences with President Duarte, they found an institution in crisis.

The great prestige of these two members allowed the institution to recover significantly. Proof of this was the maintenance of the Master's degree program in public management, that CADEP offers jointly with the Catholic University, and the role that CADEP played in the public debate and the generation of proposals that fueled the last presidential campaign. The institution's high public presence led to the appointment of Dionisio Borda as Minister of Finance once again, and other members of CADEP joined the new government.

The experience accumulated during the period 2003-2005, led CADEP to decide that Fernando Masi remain as the entity's Executive Director and that he only take part in a part-time advisory role in the Ministry of Industry. This has enabled CADEP to continue with its Master's Program and to undertake a relatively large number of projects. In the same way, it has been possible to establish a group of around 15 researchers, of which half are full time employees.

In spite of this success, the institution faces a difficult moment since it must carry out various projects, many of which are low budget and do not necessarily fit into the institutional project.

Currently there is no room for strategic contemplation, because the imperative of subsistence makes it impossible. Both the Executive Director and the researchers mentioned this situation. There is no tactical plan, and the executive team and the researchers have a critical view of the entity's current organizational situation. CADEP must grow institutionally. The board is made up of the same two members who have rotated as Executive Directors. In this sense, there is no differentiation between the board and management. Decision making is concentrated within these individuals, which does not contribute to the development of new leadership.

In this context, a positive element which should be noted is the existence of the lucid notion of the problems faced. The executive body clearly perceives that it is necessary to widen the leading nucleus. In fact, they are incorporating the researcher with the longest career path in the institution to the board. Researchers point out that it is necessary for them to play a more leading role. They express with relative clarity the view that they

must assume greater responsibilities in the identification and management of projects. They point out that it is necessary to establish an academic council that should agree on a common viewpoint to guide research in this new phase. Although the managing body has performed an adequate job, it is agreed that the organization's future also depends on modernizing working procedures, salary structures, the management of funds, and the administration.

6.4 Policy Linkages

CADEP is an institution with a strong influence on the country's public policies. Together with its founder, Dionisio Borda, Minister of Finance during the government of President Duarte and recently appointed to the same position by current President Lugo, there are a number of CADEP officials currently engaged in a number of public policy areas. Fernando Masi, Executive Director of the organization, is a part-time advisor to the Minister of Industry.

6.5 Organizational Motivation

The different interviews showed a highly motivated team. There is awareness regarding the challenges faced and there is willingness to face them. It is a team that knows about the problems confronted by Paraguay and is committed to contribute to solving them. The members of the team are interested in the subjects they are dealing with. At the same time, and as recognized by Fernando Masi, it is necessary to strengthen the commitment of the researchers with the organization. To achieve this, it is necessary to increase the researcher's participation in the definition of the organization's future, in representation duties, and in the complex responsibilities of projecting a think tank toward the future.

The researchers identified the lack of time to think about CADEP as a weakness, "we are like islands; each project stands on its own". There is still a weak institutional image. CADEP has a great prestige that helps in implementing a Master's program and in engaging projects. However, there is a need to "deBordify" and "deMasify" CADEP, thus referring to the strong presence of the two key members.

6.6 Observations and Recommendations

The CADEP is at a decisive moment of its development. It should be made absolutely clear that it has multiple assets and, in this sense, there are great odds that it could project itself toward the future successfully, as it has done in the past. Nevertheless, it faces complex challenges where TTI could play a decisive role. It is recommended to incorporate CADEP to the TTI in the renewable two-year modality.

Probably, the main challenge is to simultaneously take advantage of the experience of the founders, their leadership, their contacts, and their knowledge, and incorporate newer generations with the capacity to construct fresh leaderships. It is critical to incorporate researchers with a similar training to that of the founders, if possible, with PhD degrees, which not only develop quality research, but also, in time, will assume the leadership of the institution. It is not enough to co-opt collaborators, it is necessary to incorporate people with the imagination and creativity the founders demonstrated during the stage that is concluding. Despite all of this, Paraguay has significantly changed in the last few years, and to project itself toward the future, CADEP must reinvent itself to be able to develop quality research, by current standards, as well as influence policy in a country whose politics, economics, and society have become notably more complex.

In this sense, although readily available additional resources are necessary to attract quality researchers with a greater dedication, it is also unavoidable for CADEP to open itself to new leaderships. It is also necessary to define the intellectual vocation of the institution more clearly and, from there, develop the analytical and methodological instruments that will enable it to carry out high level research. Strengthening the Master's Program, as a source of new researchers and as a first step toward training senior researchers, may be very important. CADEP's prestige should be useful so that researchers may study abroad and complete doctoral degrees. The definition of the core thematic subjects is important in this regard.

Modernizing management is also crucial. The Executive Director has pointed out the need for a "project manager" that should play an important role in the generation of resources and in improving the overall management of the institution. It is also necessary to improve the management of human resources, improve the incentives system, and generate the elements of a professional career. In the discussion with the Executive Director, the subject of full time researchers emerged. Although it is an important objective, there were well founded doubts regarding the convenience of making it the only way to join the entity. It does not seem to be a negative factor that people who hold other positions in spheres relevant for CADEP activities, participate in one of the entity's projects. This could also provide CADEP with a wider network of contacts and range of experiences. At the same time, having a consolidated team of full-time researchers, in a country where the better elements are constantly being attracted by governmental and international entities, should be a long-term objective more than a present reality. In this sense, it does not seem erroneous to design mechanisms that allow for flexible and varied forms of collaboration with the institution. Finally, it should be noted that there is a need to renovate the administration system.

The main risks are that it may not be possible to generate the future leadership, and that the institution is unable to reinvent itself to meet the new conditions. Internal adjustments are required in the operations of the institution.

Persons Contacted

1. Fernando Masi, CADEP's Executive Director
2. Dionisio Borda, CADEP Founder and Minister of Finance
3. Walter Zárate, Economist, works for the IMF, Asunción Office. Part time researcher. Technically responsible for the observatory of revenues and expenditures.
4. Francisco Ruiz Díaz, Economist, Master Degree from the Universidad de los Andes. Joined CADEP in 2003 as a research assistant, and later became associate researcher.
5. María Belén Servín, Economist from Catholic University, full time researcher.
6. Julio Ramírez, joined CADEP in June 1997. Full time researcher.
7. Cynthia González, Economist, statistics specialist. Full time.
8. Fabricio Vazquez, full time researcher.
9. Lucas Arce, Argentinean, political science graduate, researcher.
10. Fernando Ovando, full-time economist. Has worked in CADEP for two years in the fiscal observatory.
11. Leida Rodríguez, Assistant in the fiscal observatory.
12. Carlos Centurión, Economist, Universidad Nacional.

7. Grupo de Análisis para el Desarrollo – GRADE (Group for Development Análisis)

7.1 Socio Political Context

The Group for Development Analysis (GRADE) was created in 1980, the same year that democracy was restored after a long military government. Its end, and with it the failure of traditional development strategies, placed the debate about how to advance toward economic growth and a greater social equilibrium on the agenda. As other entities, GRADE proposed to contribute to the analysis of the Peruvian reality in order to develop proposals that would enable the achievement of development. Nevertheless, GRADE had a characteristic that would become relevant in the future: a vocation to contribute to public debate on the basis of high quality research. Its founders wanted to participate in the debates regarding development based on the use of sophisticated analytical models. This tradition was maintained in spite of the relatively quick separation of the founders. The second generation of researchers maintained the high level of expectations generated during the first period. A North American specialist that had close links with Peru once remarked that one of the GRADE economists was undoubtedly the best professional in that discipline in Peru.

Created as an institution of economists, as of the 1990's and especially in the last decade, GRADE started to accept professionals from other disciplines, enabling the institution to address a greater array of themes. This institutional option also reflected the new challenges that Peru was beginning to face. In addition to the global debates on development models and strategies, the public debate and the government agenda started to deal with the various areas of public policy. After 25 years of existence, GRADE published a book presenting studies in the different areas. In the introduction, the Executive Director at the time, Santiago Cueto, described the emphasis of the coming times as follows: "Although they were always present in our vision of the underdevelopment that we hope to be able to contribute to overcome, in recent years the problems of poverty, exclusion, and inequality became a much more central subject, viewed through the different sensibilities and disciplinary tools, which attempt to advance through mutual dialogue and by interacting with the reality they study and aspire to change".³

The search for excellence in research is accompanied by a permanent concern regarding institutional development. In 2000, a specialized company was hired to develop the "strategic planning and institutional model of GRADE". During that exercise the foundations were laid to face the strong growth that the institution would experience during the first decade of the XXI century. In 2002, a statutory change of great importance was approved. In 2007, a new consultancy was hired to strengthen the administration system and the management of projects so as to establish the basis for a new stage of institutional development. At the present time, the institution has moved

³ GRADE (2007), Research, Policies, and Development in Peru.

into a new building, which it owns, and has carried out an interesting exercise in collective debate on the future of the institution, which serves as a stand for its application for TTI.

7.2 Research Quality

The publications of GRADE researchers throughout the thirty years of the institutions existence are impressive in terms of the great number of works, the thematic diversity, and the quality of the articles and research products.⁴ A detailed review of the entity's research work would be long; suffice to mention what was published in 2009 to understand the productivity and quality of the institution's research work. In a swift enumeration, some of the works that could be mentioned include: "Shock de precios y vulnerabilidad alimentaria en los hogares peruanos" (Price Shock and Food Vulnerability in Peruvian Households); "Pobreza e impactos heterogéneos de las políticas activas del empleo juvenil: el caso de PROJOVEN en el Perú" (Poverty and Heterogeneous Impacts of the Active Policies of Youth Employment: the case of PROJOVEN in Peru); "Crecimiento agrícola, pobreza y desigualdad en el Perú rural" (Agricultural Growth, Poverty, and Inequality in Rural Peru); "Minería, turismo y agroindustria: nuevos ejes económicos" (Mining, Tourism, and Agro-industry: new economic axis"; "Public-Private Research, Development, and Innovation in Peru". There is also a long list of publications in referenced journals.⁵ In recent years, several books were published. One that should be highlighted is "Investigación, políticas y desarrollo en el Perú" (Research, Policies, and Development in Peru), where researchers from the six areas of the institution contributed several articles presenting the results of their work.

The research quality is even more noteworthy when considering the development of investigation in Peru. Even for the traditional universities, it is difficult to separate capital for research. Academics are forced to dedicate many hours to teaching, which frequently makes research unfeasible. In this context, GRADE stands out for its capacity to gather and maintain a great number of high level researchers. The team has more than ten members with PhD degrees, and even in this context, it was decided in the reform of the statutes in 2008 to establish that having a doctoral degree is a condition for becoming a principal researcher.

The institution has played an important role in organizing research communities in the country. Among these, the Association of Researchers in Education, and the Socioeconomic Researchers stand out.

Notwithstanding the positive evaluation of GRADE, the institution has proposed to expand to a new stage in its development as a research institution. To this end, it proposes

⁴ Most of the works are available in the website: <http://www.grade.org.pe/View/publicaciones.asp>

⁵ See questionnaire 2 – Publications, Communications, and Incidence.

to initiate a period of reflection to articulate the six research areas with the four processes which they have identified as determinant for national development. These processes are:

- a. Decentralization and reform of the State, which will establish a good part of the context in which social, sectoral, and competitiveness policies must be developed.
- b. In the context of globalization and the signature of commercial treaties, Peru faces the growing effects of global trends and fluctuations, such as those associated with climate change, as well as financial, food, and environmental international crises.
- c. Impact of the demographic transition, that will result in the majority of the Peruvian population being of working age and able to generate income, which will be important for the policies aimed at the young and senior populations.
- d. The problem of historic and institutionalized exclusion suffered by diverse groups in society.

At the same time, GRADE is aware of the problems implied by a research agenda made up of short-term projects and excessively concentrated on externally financed consultancies/research. It should be noted that this consultant's opinion is that in spite of this, GRADE has been able to discriminate among research possibilities so as to ensure that projects have an intellectual content which is useful for the institutional agenda, and relevant beyond the immediate user. The individuals listed as contacts agreed with this view. At the same time, the institution wants to promote greater cooperation among researchers, between areas, and in multidisciplinary work. This appears as a requirement arising from the greater complexity of public policy, as well as to have access to larger projects that could be adapted to the institutional objectives.

An additional objective is to generate the conditions to incorporate areas of methodological innovation to the agenda. The impact evaluation of public policies stands out in this regard. In addition, there is a need to strengthen several areas in which there is no internal capacity and which are important for the institutional analysis, considered important for the future research agenda.

In summary, GRADE has decided to ensure that the excellence that characterizes its current research, is carried on into the future.

7.3 Organizational Performance

GRADE is a think tank directed by senior researchers. In 2002, the statutes were modified so that the leading researchers would become the institution's managers. Until that moment, the GRADE assembly was made up of active researchers and individuals

who had played a crucial role in establishing the institution or during the first twenty years of its existence. Many of the latter had slowly retired from the regular activities of the institution to work as individual consultants to international organizations, to undertake government positions, or to dedicate themselves to entrepreneurial activities. This situation posed practical problems in the sense that it was difficult to meet the quorum requirements to conduct the obligatory annual meetings. Although they were called to assist the meetings, many of them did not attend. However, it was feared that people who had lost all contact with the institution could at some point come back to direct it. The reform of the statutes introduced fundamental modifications to the structure of GRADE. It was decided that in order to be a member of the Assembly, it was an essential condition to be a principal researcher in the institution. This change provided a measure of security by excluding individuals from the decision making process who in name were associated with the entity, but in practice were not. More importantly, the organization was now directed by researchers from within the entity. This change represented a departure from the more traditional management models of think tanks.

How does the GRADE management operate? The assembly is made up of the associates. To become an associate, the individual must have been a principal researcher for one year, and must submit to an evaluation by a committee of associates. Principal researchers are leaders in a research area, both because of their knowledge on the subject, as well as their capacity to generate resources for it. The assembly is currently made up of 11 researchers (one on leave). In a recent reform, the requirement of having a doctoral degree was added to the conditions for becoming an associate. The assembly has to meet once a year. Every two years, the Executive Committee is appointed, made up of the Executive Director, the Research Director, and one other member. Reelection is allowed only once. The management is highly decentralized as it is the researchers that are in charge of establishing the research agenda, obtaining resources, and appointing the research teams. The Executive Director represents the institution, supervises compliance with the project commitments, directs the administration of the institution, and takes on special tasks. In this regard, in recent times, he or she has had to implement the recommendations of a study to improve the administration, supervise the construction of the new institutional building, and coordinate the activities related to obtaining support from the TTI.⁶

Peruvian law requires these institutions to have a board. The relatively small size of the assembly and the fact that it is constituted by the same group that makes up the academic faculty and which, therefore, meets regularly, leads to question the need for a board. For this reason, the board's main task is to summon the assembly in case there are problems with the operations of the Executive Committee.

In addition, the principal researchers and the associated researchers meet frequently to learn about the advances of the various areas of research. The associate researcher is a

⁶ Earnest Young (2007), Group for Development Analysis. Assistance in the Identification of Opportunities to Improve the Administrative Organization. Final Report. March 7. An initiative that stands out is the production of a software for project management and information, and a new system for financial administration.

temporary category. They are individuals who are on their way to obtaining a doctoral degree and, although they are coordinated by a principal investigator, they have the capacity to manage projects, when authorized by the executive committee.

In summary, GRADE stands out for its solid faculty as well as for not facing problems of institutional and generational renewal. On the contrary, the leading role of the principal researchers, both regarding the technical research responsibilities as well as in obtaining and managing projects, constitutes a strong attraction point for distinguished young researchers.

7.4 Policy Linkages

GRADE is an organization of individuals interested in research. Contrary to other think tanks where research serves as the base for the political projection of the entity's members, the members of GRADE are researchers, and their long-term goal is to continue progressing in the same area. Their slogan seems to be "speak through the research". Some researchers tend to avoid public debate because it represents an opportunity cost in terms of their research activity. Nevertheless, others are deeply involved in the public debate through the media.

The professional prestige of the researchers leads the government to invite them to participate in different policy councils. Among the councils in which they have participated, the following should be highlighted: National Education Council, National Labor Council, National Environmental Council, and the National Institute for the Defense of Competitiveness and Intellectual Property. There were several occasions when the discoveries of researchers had an important influence on public policies. Some of the ones that stand out are the debate regarding the distortions produced by the hyperinflation of the years 1988-1989 in measuring inflation and thereby analyzing poverty. A strong debate in the press questioned the conclusions that were fundamental for the governmental policy. Something similar occurred during discussions relating to the estimates of the "productivity factor", a crucial element in fixing telecommunication tariffs. The analysis of GRADE researchers showed that errors in the estimates led to the overpricing of these services.

In spite of these successes, the institution agrees that its capacity to influence the public policy discussions should be strengthened. This must be done based on the institutional assets, that is, high quality research. This is relevant both for the dialogue with government authorities, as well as with the public opinion and the citizenship.

7.5 Organizational Motivation

In a certain sense, GRADE is a research cooperative. Each principal researcher is simultaneously responsible for the technical quality of the research in his area and for managing the project. Incentives are categorical. Each principal researcher is compelled to win projects in order to do research and “survive”. Thus, researchers have clear incentives to generate high-quality research and capture capital. Nevertheless, as a counterpart, this system can generate negative incentives, both for a more ambitious policy of influencing opinion, as well as to produce high-level publications. Although “speak through the research” constitutes a good way of influencing the technical spheres of decision making, some researchers perceive it as insufficient. The decisions on public policy are not the result of mere technical considerations, but also of the capacity to convince decision makers, political parties, congressional members, social actors, and the government. Not understanding this situation may lead to a cynical attitude of simply generating good quality products and thereby accepting the possibility that the conclusions will be saved in the files. Naturally, this is a possibility because it is probable that whoever commissioned the studies will carry out the influencing tasks that are inherent to political incidence. In the same way, advocacy may be developed through partnerships with individuals or entities dealing in the subjects and specialized in the tasks of influencing.

An interesting experience in this regard is one that developed from a project financed by the IDRC on “Ethnicity and Health”, whose object was to analyze the problems of discrimination in public health. When the results were known, a regional government and the People’s Advocate became interested and this led to several incidence activities. This is an issue worth considering. In fact, GRADE, in its assessment, considers using the eventual support of the TTI in this field.

It is also possible that the current incentive system is negative from the point of view of the effort to publish in prestigious academic journals. In fact, a researcher pointed out that he had abandoned the efforts to publish because the peer review was too burdensome because the evaluation generated a large number of observations which, when not dealt with to the reviewer’s satisfaction, returns the draft to the researcher in an endless process. From a more general point of view, academic publication have a clear opportunity cost since they take time from the projects that generate resources. The Executive Director who was a fellow in a North American university highly valued his stay, because “I could finally develop two articles for international journals that emerged from my doctoral research”. GRADE perceives that the TTI could play an important role in this field also.

7.6 Observations and Recommendations

The recommendation is clear; the TTI must incorporate GRADE in its renewable four-year program. This institution can be of great assistance to other centers that participate in the initiative.

The TTI resources should be used to finance the transformation of consultancy and research projects into academic papers to be published in international and national academic journals. It would be interesting also to open a line of financing for basic research on the design and evaluation of public policies. This consultant believes that the basic logic of TTI support to GRADE should be to contribute to generate conditions for research on public policies that enable the development of more sophisticated analytical approaches, more complex methodologies, and in general, activities that contribute to build a research center with the academic density of similar institutions in developed countries. This would allow the institution to collaborate with other less evolved entities to strengthen public policy research in the country and would substantially improve the quality of the public policies. Naturally, significant funds should be dedicated to support the interesting research agenda proposed starting from the four processes that determine the national development agenda, earlier mentioned.

Finally, other resources should be used in incidence tasks. The incorporation of this line of work is considered very important for GRADE researchers. An interesting challenge to overcome will be how to make the abundant technical exchanges with government authorities, compatible with a public presence in the most relevant media.

Persons Contacted

1. Carlos Martín Benavides Abanto, Executive Director.
2. Juana Kuramoto, Associate Researcher.
3. Santiago Cueto, Principal Researcher.
4. Juan José Díaz, Principal Researcher.
5. Martín Valdivia, Research Director.
6. Fernando Villarán, Former Minister of Labor (2001-2003), and President of SASE Consultores.
7. Patricia McLauchlan de Arregui, former Executive Director of GRADE and Principal Researcher, member of the Executive Council.
8. Lorena Alcazar, member of the Executive Council.
9. Miguel Jaramillo, member of the Executive Council.
10. Shane Hunt, Professor Emeritus, Boston University.
11. Diana Balcázar, Librarian.
12. Virginia Rey Sánchez, Deputy Director of Communications, Project Children of the Millennium.
13. Pedro López, Systems Manager.
14. Carmen Lara, Deputy Manager of Administration (Works with Ignacio Franco).
15. Verónica Araujo, Secretary, Education Area.
16. Raúl Andrade, Associate Researcher.
17. Gerardo Damonte, Associate Researcher.

18. Manuel Glave, Principal Researcher.
19. Eduardo Zegarra, Member of the Executive Committee and Principal Researcher.
20. Nestor Valdivia, Associate Researcher.

8. Centro de Investigación de la Universidad del Pacífico (Research Center of the Universidad del Pacífico).

8.1 Socio Political Context

The Universidad del Pacífico was founded in 1962 by a group of progressive businessmen with the object of creating a quality university where their children could study and avoid leaving the country for their undergraduate education. With this object, the Compañía de Jesús was incorporated to the University. Probably the difficulties faced by the public university contributed to this decision. The initial objectives were limited. Only three careers were established: economics, accounting, and business administration. The Jesuit's managerial capacity transformed the university into one of the best academic entities in the country in those three fields. The graduates of the university were in high demand by enterprises and the government. Many of its graduates started to go abroad for post graduate work, and when they returned they joined the teaching staff of the university, enhancing the quality of education. Nevertheless, during 40 years the university did not increase the number of careers, and limited its activities to the establishment of academic departments to include disciplines that would provide the complementary courses demanded by the three main areas. In recent years the situation began to change.

In 1972, the University's Research Center (CIUP, in Spanish) was created. The period between then and 1990 constitutes "CIUP's prehistory" according to the University Chancellor, and Research Director for many years. It was only as of 1998 that the research areas were established in the center, and the institution's "modern history" began. During this period, numerous researchers have distinguished themselves and have become recognized by the citizenry and by the specialists. An important part of the explanation for this is that the university made the necessary efforts to allow its teaching staff to devote up to half of their time to research. This is not a common practice in the country's university system, particularly in the private universities that emerged profusely in the last few years. Neither is it the case of regional public universities.

During the last decade and until 2008, Peru enjoyed extraordinarily high growth rates of the GDP per capita due to policies that have actively promoted investment, particularly in the mining sector, agriculture export, textiles for export to the United States, housing construction, and infrastructure.⁷ Naturally, this growth has to do with the economic reforms that took place over the past two decades. Social development, however, has not had a similar evolution. Underemployment is high and the social protection system is still very precarious. There are interesting elements, such as the mining sector's tax system which has grown quickly, benefiting the country's regions.

⁷ According to the Gerens study, "Perú en la economía mundial: 2008" (Peru in the global economy: 2008), per capita growth rates were 2.4% in 2003, 3.3% in 2004, 5.2% in 2005, 6.1% in 2006, 7.3% in 2007, and 8.3% in 2008. <http://www.deperu.com/prensa/print.php?id=1244589800&archive>

A former Minister of Labor pointed out that in the face of a positive economic evolution, certain complacency had developed among the authorities, leading the country's agenda to be focused on issues of the 1990's. From his point of view, public opinion and government policy did not take adequate account of the new agenda that the country urgently needed to tackle. Among the new issues, some that should be highlighted include: modernization and institutional strengthening of the state, decentralization and regional development, poverty and inequality, the development of a comprehensive social protective system, and the defense of the environment and natural resources, among others.

In the face of these challenges, the economic, social, and environmental research system in Peru leaves much to be desired. As in the majority of the countries of the region, the government is hardly able to deal with the immediate urgencies. It is difficult to operate with a medium- and long-term prospect. The permanent emergence of subjects that have not been considered and the difficulties of managing the political situation make it practically impossible. At the same time, collaboration mechanisms with the academic community are precarious. It is difficult to incorporate the scientific approach to the solution of the public policy agenda beyond the contracting of specific projects. This makes it difficult to face the national problems which are ever more interlinked and, therefore, more complex. Under these circumstances, governments resort to the available "solutions" and not necessarily to proposals that address the problems. The CIUP finds itself in an interesting process of reflection and in a transition which, in this consultant's opinion, reflects a clear understanding of the situation and, therefore, may contribute substantially to meeting the current demands of Peru.

8.2 Research Quality

The research team at CIUP has several positive characteristics. It is a highly qualified group and many of them have doctoral degrees or at least a master's degree plus doctoral studies. The institution has established the doctoral degree as a requirement to be a staff member in the institute. In addition, it has a wide and varied academic production which is reflected in publications in journals and in national and international books.

The CIUP had a clear predominance of economists in its origin. Many of them have had important public positions. These professionals contributed decisively to the prestige of the institution. Some years ago, the university decided to widen the disciplinary base of CIUP and started to incorporate other professionals. In this context, Felipe Portocarrero, a doctor in sociology from Oxford University, assumed the direction of the institute. The current Director, Cynthia Sanborn, is a PhD. in government affairs from Harvard University. Some of the professionals were associated with the academic departments in charge of the complementary courses provided to the university's careers.

The CIUP has several lines of research. In the first place, the study on the relationships between extractive enterprises and communities should be highlighted. Due to the strong growth experimented by mining investment in the regions with a high indigenous presence, a number of conflicts have arisen with high public visibility. Among the publications in this line, the following books are noteworthy: “Moviendo Montañas: Empresas, comunidades y ONG en las industrias extractivas” (Moving Mountains: Enterprises, communities, and NGO’s in extractive industries), and “La economía china y las industrias extractivas: desafíos para el Perú” (The Chinese economy and extractive industries: challenges for Peru). Also in this line, we should mention the edition of the book “Philanthropy and Social Change in Latin America”, (David Rockefeller Center Latin American Book Series, Harvard University Press, 2005).

A second line of relevant work is the area of regulation. The CIUP has developed a wide line of consultancies in this field, many of which have led to publications. The books, “Conexiones para el Desarrollo. Beneficios del eje Multimodal Amazonas Norte” (Connections for Development. Benefits of the Northern Amazon Multimodal Axis” and “Beneficios Económicos de la Carretera Interoceánica” (Economic Benefits of the Interoceanic Highway) are noteworthy. Based on this research, the article “Relevancia de la Infraestructura y Análisis de los Sobrecostos que Generan su Déficit” (Infrastructure Relevance and Analysis of the Excess Costs Generated by its Deficit) was published in the CIUP journal *Apuntes. Revista de Ciencias Sociales*.

A third area and probably the most important in the CIUP, is social policy. In this field, the works of Enrique Vásquez are noteworthy. This researcher is a doctor in politics from the University of Oxford who has extensively researched issues regarding childhood. Among his publications, the following stand out: “¿Los Niños... Primero? (Children... First?), Volume IV, and (as co-author), “¿Es el Gasto Público en Programas Sociales Regresivo en el Perú?” (Is Public Expenditure on Social Programs Regressive in Peru?), “Educational Attainment, Growth, and Poverty Reduction in the MDG Framework: Simulations and Costs for the Peruvian Case” published in the “Journal of Economic Policy Reform”.

A fourth area, particularly innovative in social research in Peru, is the economic appraisal of natural resources and the environment. In this area, the following articles could be mentioned: “Decisiones de Inversión y la Hipótesis de la Contaminación. Evidencia de la Industria de Extracción de Cobre en Perú y Chile” (Investment Decisions and the Pollution Hypothesis. Evidence from the Copper Industry in Peru and Chile), and “GEO Amazonía. Perspectivas del Medio Ambiente Amazónico” (GEO Amazon. Prospects for the Amazonian Environment). A detailed list would take too many pages. This consultant was only interested in a brief enumeration to be able to convey a general impression of the high quality and relevance of the institution’s research.

8.3 Organizational Performance

Undoubtedly the CIUP is an institution of academic excellence, which enjoys a prestigious position in Peruvian society. As observed in the previous section, the research community at the CIUP is of high quality and its scientific production is wide ranging and recognized nationally and internationally, as may be verified by reviewing the numerous publications in referenced journals.

In recent years, the CIUP has been gaining influence in the university. The current Chancellor, Felipe Portocarrero Saez was a director of the institute for eight years. His election as Chancellor reflects the collective interest of the researchers in making changes to the university. The shared diagnosis was that research was not getting the attention it required. The definition was clear and, as the Chancellor pointed out in an interview with the mission, the Universidad del Pacífico did not want to be only a teaching college. It was essential for the institution to ensure the operation of the three key pillars: teaching of excellence, quality research, and participation in the public agenda.

For the CIUP, these strongly held views implied defending the research time assigned to researchers in the face of teaching demands. It also implied moving toward a more collective definition of the research agenda.

The CIUP has a Board of Directors whose members are: Dr. Matilde Schwalb Helguero, Vice-Chancellor; Dr. Cynthia A. Sanborn, Director CIUP; Dr. Dante Cordova Cayo, Director of the UP Graduate School; Professor Carlos Amat y Leon, Dean of Economics; Dr. David Mayorga Gutierrez, UP Dean of Management; Mr. Mariano Perotti Canaval, Student Representative. It also has an Executive Council made up of the CIUP Director and three professors and distinguished researchers, elected by the CIUP Assembly. The Director must be ratified by the University Chancellor.

8.4 Policy Linkages

The institution has a strong presence in the decision making process of public policies. An example of this is that the teacher of the School of Economics and researcher of the CIUP, Mercedes Araoz, has become the Minister of Economy and Finance. The same is true for the current President of the Central Bank and the Vice-Minister of the Environment who is also a teacher and researcher at the CIUP. Another economist who is in the Executive Committee of CIUP was the Vice-Minister of Economy. In the same way, numerous high-ranking officials of the government have participated in the CIUP.

The influence that several researchers have in public policy discussions is noteworthy. An especially remarkable case, highlighted by teacher Rosemary Thorp from Oxford University is that of Enrique Vásquez, “Starting nearly a decade ago, Enrique Vásquez led a series of studies of government food support programs, aimed at low income pregnant women, children and youths. They documented two major problems: significant under-coverage of the target population and widespread (mis) appropriation of benefits by others. This generated a strong reaction from national media, beneficiaries,

program providers and public authorities. Investigative commissions were established in Congress and the MEF, and other think tanks joined the cause, debating ways to establish a national registry of beneficiaries, and assure that the US \$100 million spent annually in this area go to those who need it most. The result has been universal recognition of a previously hidden problem, and some improvement in targeting and budget monitoring such as a new Unitary Registry of Beneficiaries, and an Information System for Social Affairs (SIAS). Although political resistance to overhauling these programs remains, it has diminished considerably in the face of ongoing, rigorous research. Today Vásquez is an advisor to the Ministry for Women and Social Development, which has declared a commitment to further rectifying the situation.” Although this is the most noteworthy case, there are other similar situations in the case of research on the extractive industries which have led the Ministry of Mining to develop a specialized unit in social management in the area of the environment, which collaborates closely with the Minister of that area. In the case of regulation specialists, they collaborate with the different regulatory entities.

8.5 Organizational Motivation

The evaluation of the research at the CIUP in recent years is clearly positive. The institution’s management and researchers are happy with the results. Nevertheless, they are convinced that it is necessary to advance to a new stage. With this in mind, they are developing several initiatives. On January 1, 2010, the regulations for the Research Center of the Universidad del Pacífico came into effect. These rules set out the Center’s objective as “Conducting theoretical and applied research. The first seeks to contribute new elements to science that constitute the ingredients of future advances in its theoretical and methodological development. The second refers to the analysis of the national and international reality with the aim of contributing to its comprehension and to the search for solutions to specific problems. The CIUP research should give preferential attention to issues linked to the economy and sustainable development, governance and public and social policies, and the management of enterprises and other private and public institutions.” The policy also establishes the functions and responsibilities of institution members. It requires that they actively participate in their respective areas of research, in the preparation and implementation of research projects and/or consultancies, as well as in their propagation. At the same time, they have to be involved in obtaining capital. Not complying with these obligations during two consecutive years implies their resignation from the institution.

From a more substantive point of view, the CIUP proposes to change from an organization whose research activities have responded to the initiatives and preferences of individual researchers, toward a democratic and collective definition of the priority areas in research. The objective is to respond better to what appears to be a more complex public agenda, with more requirements for interdisciplinary work. At the same time, it seeks to go from research determined by the donor organizations and entities that contract the studies toward an agenda defined by the institution. Small, short term projects are

generally associated with the individual management of resources. The idea is to generate the capacity to prepare collective proposals that can access longer term projects. The model is inspired in the natural resources area. During one or two years, the researchers in that area did not generate external resources. They had to function with the internal resources of the University. This allowed them to develop innovative theoretical and methodological approaches which began to be recognized by the national and international scientific community. This research base generated important resources and today appears as very dynamic. In simple terms, the object is to reduce the anxiety of taking on any project (although they insist they have always been selective regarding the intellectual content of the projects) and consolidate the habit of having their own agenda which responds more directly to the national interests.

Through this approach, they expect to develop a pool of resources that will facilitate research, thus contributing to an innovative agenda. This will enable the generation of new data to enrich the stock of national and international information. In this context, growing resources from the accumulated overhead have been allocated to the institutional agenda. This contributes to reinforce the habit of working in groups, which will be sustained over time.

This commitment, together with the influence that the CIUP exerts on the university, shows a highly motivated managing group with the capacity to take the CIUP to a new stage of institutional development.

8.6 Observations and Recommendations

Peru is at a crucial phase in its development. After going through different critical situations, populist governments and hyperinflation, internal violence, dictatorial regime, and economic stagnation, it has entered a stage of high growth after promoting what could be classified as a first round of reforms. Currently, the country faces new problems. We have already mentioned the precarious social protection system, the lack of an institutional framework in the State, the excessive centralization, the deterioration of the environment, the problems of quality in education and health, and global governance problems. Of course, these issues extend to Latin America and other countries in the world. The State is overwhelmed by the urgencies and the succession of critical political situations. Political parties lack an institutional framework and are highly fragmented. Congress lacks the necessary mechanisms to ensure quality politics. Under these conditions, think tanks are more necessary than ever. It is essential to contribute to the generation of new cooperation mechanisms between think tanks and governments. It is also necessary that they contribute to strengthen the institutional framework of Congress. The development of the civil society is imperative. The CIUP has achieved a very significant level of development. It has the academic quality, the institutional motivation, and the relationships with the policy makers to make a significant contribution to this new stage in Peru. Moreover, analyzed from the point of view of the TTI objectives, regarding the promotion of relationships between think tanks, the CIUP could assist

centers in Peru and other countries. The institution's governance is secure. Its relationship with a prestigious university ensures important positive synergies. The CIUP is an entity which helps attract the best students to research, ensuring the renewal of the staff. For all these reasons, this consultant's recommendation is to incorporate the CIUP into the program in the renewable four-year modality.

The TTI should support CIUP efforts to become a valid counterpart for the public institutions of the country. This implies strengthening the initiatives to attract people that are finishing their post-graduate studies abroad, and requires an adequate base from which to continue their research as a condition for returning to the country. At the same time, the institution's accumulated research experience is a good foundation from which to allocate resources to further the research agenda it has developed. This implies allocating resources to carry out key research projects which do not find support from the usual sources of project financing. As in the case of GRADE, it is important to allocate funds for the theoretical analysis of public policies, and for methodological development. This is central to improve research in this field and the global quality of public policies.

Persons Contacted

1. Cynthia Sanborn, Director CIUP (2008-2011)
2. Dr. Felipe Portocarrero Suárez, Chancellor UP
3. Dr. Eduardo Morón, Member of the Executive Committee CIUP (2010-2011)
4. Mr. Roberto Urrunaga, Member of the Executive Committee CIUP (2010 – 2011)
5. Mrs. Martha Chávez, Member of the Executive Committee CIUP (2010 - 2011)
6. Mrs. Arlette Beltrán, Dean of the Faculty of Economics and Member of the Directive Council
7. José Luis Bonifaz
8. Juan Francisco Castro
9. Gustavo Yamada
10. Ricardo Montero
11. Joanna Kámiche (Coordinator, Area of Natural Resources and Environment)
12. Janice Seinfeld (Coordinator, Social Policies Area)
13. Milton von Hesse (Coordinator, Master Degree in Public Management at the UP).
14. Julio Velarde, President of the BCRP
15. Mercedes Araoz, Minister of Economy and Finance
16. Carlos Casas, Vice-Minister of Economy

17. Rosario Gómez, Vice-Minister of Environment
18. Elsa Galarza, Advisor to the Minister of Economy and Finance
19. Rosemary Thorp, Oxford University
20. Liliana-Rojas Suárez, Senior Fellow, Center for Global Development

9. Instituto de Estudios Peruanos – IEP (Peruvian Studies Institute)

9.1 Socio Political Context

The Peruvian Studies Institute (IEP) is a singular institution. It emerged from a group of distinguished intellectuals and academics⁸ who, in 1964, facing the difficulties confronted by the public university to develop research activities, with great creativity launched a private non-profit entity to promote research that would serve the country. It was undoubtedly an innovative initiative, but above all, visionary. Innovative, because non-governmental entities dedicated to research practically did not exist in the country and the region. It was a phenomenon that was to become massive more than a decade later. Visionary, because the limitations that affected the University at the time, which gave rise to the institution, would not only persist until today, but would also become more acute at times.

The IEP was created with an interdisciplinary vocation and an interesting capacity for identifying early on, the critical problems for the development of Peru. The first integrationist concern in the tasks of the institute was the ethnic, historic, and linguistic plurality of Peru at a time when the country ignored these problems. At a historic moment when national development and the modernization of the rural sector focused the attention of public policies with an approach that would prove to be a reductionist view of the problems, the IEP addressed the issues that were central for identifying the particulars of the challenges faced by the country with great academic seriousness and social commitment. The special nature of the dialogue between the Peruvian society and politics, on one hand, and the IEP's intellectual activity, on the other, has been projected until now.

For decades Peru lived a traumatic history. The restoration of democracy initiated by the call for a Constitutional Assembly in 1978, and the election of Fernando Belaunde Terry as President of the Republic in 1980, did not mark the beginning of a favorable period for the country, but the beginning of two decades of internal war, hyperinflation, and the return to a dictatorial regime. The political and historic evaluation of the Fujimori governments will undoubtedly concentrate the attention of the political system and specialists for a long time. Nevertheless, there seems to be some agreement among the counterparts interviewed by this mission regarding the fact that during those periods the minimum conditions were created for the operation of the economy. The restoration of democracy, on this basis, opened a period of strong growth with an escalation of the per capita GDP never seen before. Increases in mining investment, other export sectors, and in infrastructure have made possible a powerful growth of output in conditions of

⁸ The founders were among the principal intellectuals of the second half of the XX century: Augusto and Sebastián Salazar Bondy, Rosalía Ávalos Alva, José Maria Arguedas, Luis E. Valcárcel, Maria Rostworowski, Alberto Escobar, John Murra, Aníbal Quijano, and José Matos Mar.

macroeconomic stability that brought with it a large increase of income which, in turn, has led to significant changes in the Peruvian society.

Nevertheless, economic growth coexists with a relative deterioration of the political party system which does not seem to improve. The National Congress has difficulties in ensuring an adequate debate in the formulation of laws. The Legislative Power lacks the necessary advisory support. The move toward decentralization is not accompanied by a development of the regional and municipal institutional framework. The government itself and the Central Government, although showing some signs of modernization, have a weak institutional framework and human resources that lack the necessary training. The political system itself, which promotes the vision of State as a political booty, contributes to aggravate the situation. The weakness of the social protection system leaves Peru in an unfavorable situation compared with other countries in the region. Education also shows serious deficiencies.

A new reform agenda appears as a clear imperative. Institutional, social, political, and cultural reforms appear as key elements, not only to carry the economic advances into the future, but also to advance effectively in overcoming the challenges in social justice and equity. The IEP, with its multidisciplinary proposal, has a strong potential for contributing in this task.

9.2 Research Quality

As mentioned in the previous section, from the start the IEP has aimed its research at “identifying the elements that hamper the comprehensive development of the Peruvian society and propose mechanisms to overcome them. The economic problems, the various political phenomena, and the social and cultural tensions that explain the structure of the national life, are the motives for continually diagnosing and developing proposals by the Institute”. In this context, the work of the IEP is structured in six thematic areas: (a) Rural development and poverty; (b) State, politics, and citizen participation; (c) Ethnicity, identity, and culture; (d) Education and inclusion; (e) Information society and regulation; and, (f) History, inequality, and development.

In each of these areas there are several researchers with excellent academic training, an extensive and high quality intellectual production, prestige, and a dense network of relationships in academia and the government.

The analysis of the publications shows that researchers write articles for refereed journals, and books that have had a great impact on the public debate or constitute basic texts for the training of students and professionals. This is the case of a book on the political system, a historical work by the current director of the Institution, Julio Cottler, the best known researcher at IEP.⁹ There is also a great capacity to head and coordinate

⁹ According to what we were told during the interviews, Julio Cottler appears to be the most influential intellectual in the country after Mario Vargas Llosa.

the preparation of collective books on crucial issues of the public agenda. Productivity is high and it is possible to form an opinion about the publications by accessing the website.

For example, in the area of State, politics, and citizen participation, the following are collective works: “Minería y conflicto social” (Mining and Social Conflict), “La nueva coyuntura crítica en los países andinos” (The New Critical Situation in the Andean Countries), or the individual books, “Los espejismos de la democracia. El colapso del sistema de partidos en el Perú, 1980-1995 en perspectiva comparada” (The Illusions of Democracy. The Collapse of the Party System in Peru, 1980-1995, in a comparative perspective), “Democracia sin partidos. Perú, 2000-2005. Los problemas de representación y las propuestas de reforma política” (Democracy Without Parties. Peru 2000-2005. The Problems of Representation and the Policy Reform Proposals). Among the journals where researchers publish, the following can be mentioned: *Revista de Ciencia Política de la Universidad Católica de Chile* (Political Science Journal of the Catholic University of Chile); *Revista Mexicana de Sociología* (Mexican Sociology Journal); *Problèmes D’Amerique Latine* (Latin American Problems). The researchers also write chapters of books published in the United States and other developed countries.

In the area of social development and poverty, the following titles may be highlighted: “Managing credit risk in rural financial institutions: what seems to work”; “Peru” in *Indigenous Peoples, Poverty and Human Development in Latin America*; “Fondos Especiales. La manera económica de hacer política redistributiva en el Perú. IEP” (Special Funds. The Economic Way to Make Redistributive Politics in Peru. IEP); and “Medio Ambiente y Recursos Naturales” (Environment and Natural Resources), in the book “La investigación económica y social en el Perú, 2004-2007” (Economic and Social Research in Peru, 2004-2007).

In the area of History, inequality, and development, the following can be mentioned: “Cold War and Deadly Fevers: Malaria Eradication in Mexico, 1955-1970”. In the area of Information society and regulation, “Can the poor afford mobile telephony? Evidence from Latin America” is noteworthy. Finally, it should be noted that several researchers are members of the editorial council in journals of several countries, including the United States and Europe. In the meeting that the mission had with him, Professor Shane Hunt insisted that IEP professionals were among the best in their areas of specialty.

Poverty and exclusion have always been a main concern for the IEP. However, the relative lag between economic growth and social development has led the institution to organize its research activities more intentionally around these issues. In this sense, IEP will work during the next four years on “inequality, its reaches, expressions, and consequences in a country that is still commonly characterized by an exclusion that has ethnical, cultural, and territorial connotations.” It will also address the realization that democracy and growth have not been able to diminish exclusion and are not able to establish the conditions necessary for social cohesion and governance. It is all about rethinking the country since the changes occurred in the 1990’s, particularly since the return to democracy and the end of the internal war. The institutional program builds on the progress of the institutional academic production of recent years; but the way to do it

and the definition of the main concerns has led to the implementation of a large planning workshop, that incorporates the younger researchers and a series of meetings with senior researchers with the purpose of identifying not only the pending issues from earlier research, but also the lessons learned in the implementation of large special projects such as “Siembra Democracia” (Sow Democracy), “Municipio al Día” (Up to Date Municipality), “Proyecto Capital” (Capital Project), “Leer es Estar Adelante” (Reading is Being Ahead). The issue of inequality is addressed by the research areas of the IEP, but it seeks to develop cross-cutting subjects associated with inequality that bring complementary contributions from the various disciplines: the territorial character of inequalities (urban/rural; north/south; Lima/Provinces) and their options, the consequences of changes in technology and in labor regimes, the social protection systems and social policies, and the ethnic cleavages.

9.3 Organizational Performance

The IEP is a consolidated non-profit organization. Currently, there are 109 individuals working in the institute, of which 75% are dedicated to research and 80% work full time. It has survived and grown in the midst of a country affected by real political, economic, and social catastrophes. It has a valuable endowment, and a respectable infrastructure.

As pointed out earlier, it was founded by distinguished Peruvian intellectuals. However, little by little, toward the second decade of existence the organization experienced a crisis. Its Executive Director started using his power in an excessively personal manner, in a context of relative indifference from the other founding members. Under these circumstances, in 1984 the new researchers expressed their concern regarding the nature of the leadership and their lack of prominence. At a certain point in time, irregularities were found that led some of the founding members and new researchers to question the continuity of the Executive Director. As a result, he resigned and was replaced by Julio Cottler.

After these events, the institution was recreated, establishing new operational norms. This is how the Assembly of Associates was created as the entity's maximum body. The founding members who wish to continue their participation in the IEP, and the principal and associate researchers that comply with the requirements of seniority training, academic production, and the obtention of funds, participate in this assembly. Every two years, there is an election to choose the executive council, and its members may be reelected. This council is composed of the General Director (the only paid member of the board); the Economics Director, who is the link between the Administration and Finance team and the Executive Council; the Director of Publications; the Director of Research; and the Director of Activities. There are other two Directors without specific tasks. The General Director of IEP is the legal representative. Dr. Marcos Cueto and the Council that accompanies him were elected in the assembly meeting of March 5, 2009. In addition to this assembly, the members of the IEP conduct an annual assembly where the

Directors report on their management activities. There are working teams that support the activities of the different directors. In addition, the different work areas also have research teams that meet regularly.

There are general meetings where all the researchers report on their activities. These meetings are related to the assembly meetings. There are the so-called “green table” meetings, which are social gatherings to discuss the new projects and advances. These take place every week.

9.4 Policy Linkages

The Executive Council reflects the diversity of the institution (generations and research areas). They all converge in the Council, old and new researchers, economists and historians, and individuals who have been trained in public and private universities. There are conservatives, liberals, and progressive individuals. In spite of the fact that during Fujimori’s presidency, there was a rejection of NGO’s and intellectuals, it was possible for the IEP to build some collaboration spaces, particularly due to the lack of trained individuals, and in international cooperation projects in education, and other non-priority sectors for the Fujimori regime. In spite of this, the IEP exerted leadership in many of the civil society activities against the dictatorship. It participated in several democratic development networks, and many of its collaborators participated in the Comisión Verdad (Truth Commission). In 1993, the offices of the institution were raided by the police. During the 2000 elections, threats were received by mail due to IEP participation in the implementation of a “quick count” system that demonstrated the existence of electoral fraud. A close collaboration developed with President Paniagua. During the presidency of President Toledo, particularly in the initial stages, some IEP members collaborated intensely with the government: Fernando Rospigliossi became Minister of the Interior during the Toledo presidency, and Cecilia Brondet as Minister for Women. Carlos Iván de Gregori was commissioned to the Truth Commission.

In general terms, relations with the government of President Alan García are more limited. Nevertheless, there are spaces of collaboration with the IEP in economics, and with intermediate groups in other ministries. Working relations were good with Jorge del Castillo, former President of the Government Council (the relationship with this leader started during the development of the opposition to Fujimori).

In this context, researchers have close dealings with public institutions in the country in their areas of competence, as well as with international entities that finance activities in those areas. In this regard, the case of Roxanna Barrantes should be highlighted. This researcher arrived at IEP in 1985, where she remained until 1987. After her post-graduate studies (PhD from the University of Illinois at Urbana-Champaign), she returned to the IEP to work in the economic area. Since 2002, she works full time in the institution. She has ample professional experience as an advisor, consultant, and director of regulatory bodies (OSIPTEL, OSITRAN, SUNASS); member of the Executive Committee of the

Network for Regional Dialogue on the Information Society (DIRSI, in Spanish); member of the Consulting Committee of the Latin American and Caribbean Environmental Economics Program (LACEEP); President of the Peruvian Permanent Workshop on Agrarian Research (SEPIA, in Spanish); and former member of the Tribunal to Settle Environmental Controversies of the National Council of the Environment of Peru (CONAAM, in Spanish). Several researchers have permanent columns in different newspapers. Thus, in this institution there is a convergence of influencing mechanisms based on close relationships with public organizations and those based on the direct intervention on the debate, through the communications media.

9.5 Organizational Motivation

The IEP is going through a special moment in its institutional development. It is undoubtedly a consolidated organization, with a large academic staff that enjoys great prestige among the government, the public opinion, and its peers.

The Executive Council and its Executive Director are highly motivated by the challenges of projecting the accumulated successes toward a future that poses new challenges. These are probably unprecedented situations for consolidated institutions in Latin American countries. What is usual is to find institutions that seek to achieve a minimum critical size, establish a reputation, consolidate their governance mechanisms, and have their own infrastructure. All of this seems to have been accomplished by the IEP. As if this were not enough, the institution has one of the most important social studies libraries in the country and a first line editorial in Peru.

In this context, the IEP wants to develop strategies that guarantee a generational renewal and the recruitment of professionals of diverse backgrounds and varied academic career paths. It is not only about recruiting young researchers, but also retaining the best researchers in the institute and reinserting in the country those that are doing post graduate studies abroad. In every case, the concern is to attract quality researchers as well as promote the inclusion of those that for different reasons are excluded from the research institutions' networks. Among the priorities, one that stands out is the implementation of a communication strategy that will enable the institution to efficiently reach the different audiences and to link the ongoing initiatives, particularly, those that include the use of new information and communication technologies. At the same time, the institution seeks to strengthen participation in different networks and consortiums in order to promote a plural academic dialogue. At a national level, among these networks the following stand out: the Network for the Development of Social Sciences, which articulates efforts to strengthen social sciences in the country; the Grupo Propuesta Ciudadana (Citizen Proposal Group), whose aim is to strengthen the democratic institutions that are committed to the decentralization process; and the Seminario Permanente de Investigación Agraria – SEPIA (Permanent Workshop on Agrarian Research), which promotes research and debate within the academic community on agrarian, rural, and environmental issues with a multidisciplinary perspective. At an international level, the

IEP participates in the Consejo Latinoamericano de Ciencias Sociales – CLACSO (Latin American Social Sciences Council), which promotes joint activities between the main social science academic institutions in the Latin American region; as well as in SEPHIS a south-south exchange program to carry out research on the history of development. In parallel, starting in 2009, the IEP is implementing a training program in social sciences, with the objective of training researchers, teachers, and professionals in social sciences with a high academic quality, an interdisciplinary orientation, and the capacity to perform in universities, research centers, public and private organizations, as well as national and international development organizations. The program consolidates a permanent exchange with universities, especially within the country. Finally, it should be pointed out that this program constitutes a valuable experience for the proposal to create the IEP post-graduate school, which is currently being evaluated by the national educational authorities.

9.6 Observations and Recommendations

This consultant's recommendation is clear. Incorporate the IEP to the TTI in the renewable four-year modality. The basic rationale to support this institution is based on collaborating with the reflection regarding the future course of entities which have reached the levels of development attained by IEP. Should these institutions be maintained within the strict frameworks of think tanks, improving their research capacity and quality in the area of public policies, eventually increasing the number of associated researchers, or should they, on the contrary, continue on that course but complement their research activities with teaching activities under modalities that are more akin to universities?

In this context, financing proposals to enable the recruitment of high-quality professionals that would allow a constant generational renewal is important, as well as the IEP's requests to strengthen the dissemination and influencing tasks. The preparation of projects should also be financed in order to strengthen the development of their own agenda. The IEP can significantly contribute to the development of other entities that may be incorporated to the TTI.

Persons Contacted

1. Marcos Cueto, General Director
2. Francesca Uccelli Labarthe
3. Josef Ludwig Huber, Research Director.
4. Pablo Sandoval, Educational and Activities Director, and Coordinator of the Master's Degree Project.
5. Mariana Eguren, Publishing Director.

6. Shane Hunt, Professor Emeritus, Boston University.
7. Cecilia Blondet, Former IEP Director and former Minister of Women.
8. Martin Tanaka, Researcher.
9. Natalia Gonzales, Researcher.
10. Laura León, Researcher.
11. Odín del Pozo, Editor of the Editorial Section
12. Roxana Barrantes, Researcher.
13. Carlos Iván de Gregori, Researcher and former General Director.

10. Milenio Foundation (Bolivia)

10.1 Socio Political Context

Milenio was founded in 1990, by a group of entrepreneurs led by Gonzalo Sánchez de Losada. The objective was to build a think tank to generate proposals for a second round of reforms in the country. The studies developed by the new institution at the time show a clear intention of influencing public policies. Among them, the following are noteworthy: “Propuestas de Reformas de la Constitución Política del Estado” (Proposals for Reforming the Political Constitution of the State); “Propuestas de Políticas Sectoriales en los Campos de Minería y Metalurgia, Transporte, Agricultura, Educación, Vivienda, Salud, y Nutrición” (Proposals for Sectoral Policies in the Fields of Mining and Metallurgy, Transportation, Agriculture, Education, Housing, and Health and Nutrition); “Anteproyecto de un Nuevo Sistema de Constitución y Registro de Sociedades Anónimas” (Preliminary Draft for a New System to Establish and Register Corporations), and “¿Cómo Enfrentar la Pobreza en Bolivia?” (How to Address Poverty in Bolivia), among others.

In the elections of June 6, 1993, Gonzalo Sánchez de Losada, a militant of the National Revolutionary Movement (MNR, in Spanish), was elected President of the Republic. His government promoted a series of reforms amongst which the capitalization of public enterprises and the push toward decentralization stand out. In 1995, a new organic law was approved for the Central Bank, establishing the entity as an independent organization.

The Milenio Foundation was closely involved in the preparation of the presidential program and with several of the proposed reforms. Fernando Candia, one of the current Associate Researchers was first President of the Central Bank and then Minister of Economy and Finance. Although the foundation kept itself distant from the second and brief administration of Sánchez de Losada (August 2002 – October 2003), the foundation has been closely associated with the reforms promoted during his first term as President.

To understand Bolivia’s current situation, an important element to keep in mind is the strength with which the Asian Crisis hit the country toward the end of the 1990s. In that context, a serious crisis broke out in the traditional political party system. The problems faced by the Banzer administration first, succeeded by President Quiroga at the death of Banzer, could not be solved by those administrations. The second Losada administration made significant efforts to overcome the difficult situation. Proof of this was the call to a large number of political parties to jointly face the crisis. The result, however, was not promising. Furthermore, Sánchez de Losada was forced to resign only 14 months after being elected, resulting in a total loss of legitimacy of the parties who had accompanied him in his brief administration. In that context, the political influence of the current President of the Republic and then coca farmer, Evo Morales, strengthened rapidly.

In a period of twelve years, Bolivia went from an extreme “neo-liberal” experience to a government with a strong ethnic emphasis that favors a strong State influence on the economy, and with a popularity which Bolivia probably had not seen in decades. Facing reforms that seemed irreversible, the new government reverted several of them, and nationalized some economic activities. In this context, an external observer could legitimately ask the about the causes behind this process. In the view of some analysts, the pendular behavior of Bolivian politics and of the economy is normal, and historically recurrent. At the same time, the question regarding the causes of the debacle of the Sánchez de Losada administration is also important to understand the current situation. Analysts associated to Milenio point out that this was basically due to the Asian Crisis that led the population to associate the serious economic situation with the reforms promoted by the administration. As counterpoint, the vision of those who are currently in the government is that the virulence of the crisis demonstrated the failure of the “neo-liberal experience”. The existence of these contradictory visions, added to ancestral conflicts, probably explains the extremely polarized positions faced by the country.

These considerations are a key to understanding the difficult circumstances in which Bolivian think tanks must operate to go beyond the simple confrontation of slogans. They are also important to understand the crucial role that these institutions must play to contribute to generate debates that will improve the quality of public policies. The lead role they must assume becomes clearer if the precarious state of the political parties, except the MAS, is considered.

10.2 Research Quality

Milenio’s team of collaborators is highly qualified academically, and with a long experience in public service. Their publications deal with important areas of public policy, particularly macroeconomic issues, energy and hydrocarbon policy in particular, social security policy, and the significant amount of natural resources that the country has enjoyed throughout its history. The political system and the functioning of democracy have also been addressed in the research agenda. Until two years ago, they published a semi-annual analysis on the political situation, which was discontinued for lack of resources. In this framework, it is important to mention the work of the President of the Executive Council, Roberto Laserna, entitled “La democracia en el ch’enko”¹⁰ (Democracy in the Ch’enko), published in 2004, and which attempts to provide an in-depth explanation of the problems confronted by Bolivia.

¹⁰ The term refers to something which is tangled. In the beginning of the book, the author points out that “democracy, as a political expression and institutional project, has not been able to change the structural *ch’enko*. It could even be said that it is tangled in the *ch’enko* and that is why we revolve in uncertainty”. In this regard, a hypothesis has been presented which is suggestive: what is it that is in crisis in Bolivia? Do poverty and the demand for better living conditions question only the economic policy? Could it be that they go beyond and denounce the limitations of an economy crossed by rationalities that mutually use and block each other?

The level of the publications is first-rate, even though they are not based on in-depth research or in the generation of new base information. They are aimed at influencing the public agenda and strongly defend their visions and the principles that oriented public policies when its associates were in government positions.

This practice is probably associated with the fact that only the Executive Director is a full-time member of the institution. The other associates collaborate in specific projects when financing becomes available.

10.3 Organizational Performance

The Milenio Foundation is branded by its origin. It emerged under conditions which have no comparison with those of other think tanks in the country. The institution received a significant endowment at the time it was founded, donated by a group of entrepreneurs. This is unique because even the think tanks associated directly with the entrepreneurs are financed with resources coming from the international cooperation. The interest earned on the endowment allowed the institution to finance a large part of its activities for a long time. This circumstance probably determined its subsequent evolution, in the sense that the institution does not seem to have reacted quickly to replace the cooperation funds it lost and did not establish an active search for funds. In fact, significant financial difficulties¹¹ forced the institution, first around the year 2000, and then in the past three years, to resort to the endowment to finance its expenditures. This statement is confirmed by the fact that only two relevant initiatives have been implemented to find additional resources, a project with CIPE and the presentation to the TTI.

During its first twelve years, the Milenio Foundation was headed by the founding nucleus. The main leaders were the former President Sánchez de Losada, and Guillermo Justiniano.¹² In the year 2002, shortly before Sánchez de Losada assumed the Presidency of the Republic for the second time, both individuals decided to leave the institution and called on a number of academics and intellectuals to take charge of the entity. The objective was to separate the Foundation from the MNR, a party to which both leaders belonged, and generate the conditions to build an independent entity while, at the same time, strengthening its academic vocation. With this rationale, a new board of directors was established, made up of individuals with similar visions, but who were independent, and in general, enjoyed ample prestige and exerted a considerable influence in the political and economic life in the country.

¹¹ Two main circumstances explain the problems of the last three years. First, the steep decline of interest paid on financial investments and, second, the change of policy by the Konrad Adenauer Foundation which ceased financing the institution's administrative expenses.

¹² Guillermo Justiniano was Minister several times; first under Victor Paz Estenssoro, and later with Sánchez de Losada in both administrations. In the second administration, he had the difficult position of Minister of the Presidency.

The Milenio Foundation has a unique *modus operandi*. The direction of the institution lies in an Executive Council made up of four persons, including, the Executive Director. This instance meets once a year. The day to day activities are in charge of the Executive Secretary in a relatively close relationship with the President of the Executive Council. The President is also in charge of one of the most important projects that the foundation is currently involved in, so they are permanently in touch. To support the academic production, an academic council was formed in 2004, an informal body whose main objective was to discuss the research works before they were published. The academic council is made up of the members of the Executive Council, and other individuals with a high academic rating. In addition, some of them have long and distinguished careers in public service. In the context of the initiatives taken to re-launch the entity and constitute a group that would assume a more important role in obtaining funds, it was decided to formalize the existence of the academic council.

As previously pointed out, the Milenio Foundation has only one full time academic, which is also the Executive Director. It maintains stable relations with a group of researchers which are hired to develop specific projects. This is the case, for example, of the main periodical publication, the semi-annual analysis of the Bolivian economy, whose different components are contracted out to different specialists. For other publications, a team is brought together through a similar procedure. The advantage of this mechanism is that it allows contracting the best specialist on each subject. The disadvantage is the lack of a permanent team of researchers whose main activity is carried out in the framework of the institution. This probably makes it difficult to develop research initiatives of greater reach and to establish a more consolidated research group. This operational modality has prevailed since the institution was founded.

10.4 Policy Linkages

The strong political participation of the founders of the institution made it possible for it to be very involved, from the beginning, in the country's political process and in the debate of public policies. As pointed out in the first section, Milenio actively collaborated with the preparation of the program for the first government of Sánchez de Losada and in the development of some of the reforms promoted during his administration. The wide nature of the political coalition that Sánchez de Losada built for his second administration and the initiatives taken to provide the institution with more independence, resulted in less involvement of Milenio with the administration. Nevertheless, in the eyes of the public, Milenio appears strongly linked to the reforms implemented by Sánchez de Losada, although this impression appears to be diminishing over time.

Milenio is seen as an entity openly opposing the government of President Evo Morales. Both the members of the Executive Council and the Academic Council are very explicit in pointing out their strong opposition to the government. Relations with Congress are very sporadic, and there are no contacts with the MAS, the Government's party.

Relations with Congressional members of opposition parties are also difficult due to their fragmentation.

In this context, the efforts to influence public policies are aimed at the media and universities. Milenio publications are expected with great interest, and they are presented in La Paz, and also in other departments of the country, mainly in universities. The entity's researchers pointed out that the government also has an interest in their publications, as their point of view is well respected. On the other hand, the government frequently takes a position regarding the entity's publications. Several of the associates regularly write in the media. They have also created a web site with other writers, "www.columnistas.com", where they coordinate efforts to strengthen their influence on the public agenda and debate. Milenio also has a close relation with an important weekly publication called Pulso.

10.5 Organizational Motivation

The Milenio Foundation has been through a very critical financial situation. Nevertheless, its academic production has been able to maintain itself with the strengths and the weaknesses that result from its operational structure. This has happened at an unfavorable moment for its vision of society, politics, and the economy. Its ideas are in retreat in the country. In this context, the associates in the Academic Council show a clear will to strengthen and amplify their ideas to contribute to Bolivia's development. Their vocation as researchers in economics, social sciences, and public policies is clear in the long list of publications. Equally strong is their political vocation, although with a technical approximation.

The members of the Executive Council share the conviction that the institution has accumulated an intangible capital that constitutes a strong base for re-launching the entity.

The Institution is interested in generating primary information through the construction of a short-term model, the identification and testing of leading short-term indicators, the development of a methodology to gather information on these leading indicators, and the implementation of regular surveys on economic expectations. It believes there is an ample room for action in coming years contributing to the discussion of the more than 100 laws that the country must approve to implement the new constitutional framework.

10.6 Observations and Recommendations

The Milenio Foundations faces a complex transitional period. Traditional financing is no longer available. It is necessary to develop new financing forms to substitute for the resources that came from the endowment. This will probably imply exploring new organizational models that require a greater commitment on the part of the associates in

generating resources. Probably this requirement will demand that a larger part of the professional activities of the members of the Academic Council be carried out in the framework of the institution.

It is probable that the future viability of the institution will depend on its capacity to reinvent itself. This is not a simple task if we take into account its strong involvement in a reform process which, although it persists in some fields, has been abandoned and the country is heading in another direction. Therefore, it cannot be discarded that the institution will remain linked to the 1990s agenda and that it finds insurmountable obstacles to insert itself under the new conditions. This requires imagination, audacity, and flexibility. It probably implies the incorporation of a new generation of researchers who could benefit from the experience of the current associates but who, at the same time, are not captured by the convictions that guided them in the past. The dual challenges of opening new sources of financing and establishing a more integrated and renewed academic team are mutually dependent.

In this context, the TTI may play a very important role in helping to re-launch the entity. Nevertheless, there is a risk that it may not be possible to overcome the dual challenges described above. The strong political polarization in the country increases the risk.

In this sense, this consultant's recommendation is to incorporate the institution in the two-year program so as to evaluate whether they take the necessary steps to strengthen the institution. This modality would help enlarge the group of associates, strengthen the executive committee, develop more powerful activities to seek financing, and persistently explore the options of creating areas for dialogue with the political forces currently in the Government. Research work will need to be strengthened and reoriented. Strengthened, in the sense of developing long-term projects that will help to overcome the excessively consolidated and perhaps complacent visions of the Bolivian reality. The specific works, which currently characterize the institution's production, run the risk of simply repeating the established convictions. Reoriented, in the sense that the possibilities to communicate with policy makers will increase as the institution involves itself more with the specific public policies. The task of developing the 100 laws that the institutional change demands is an excellent opportunity to advance in this direction.

Persons Contacted

1. Mario Napoleón Pacheco Torrico, Executive Director
2. José Luis Evia Vizcarra, Economist, Principal researcher
3. Fernando Candia (Senior Researcher, macroeconomics)
4. Germán Molina (Senior Researcher, fiscal economics)
5. Juan Brun (Senior Researcher, national accounts) former UNIDO
6. Henry Oporto (Senior Researcher, political sociology)
7. Rubén Ferrufino (Senior Researcher, economic policy)
8. Peter Behrends, Reference person

9. Osvaldo Monasterio, Member of the Executive Council.
10. Víctor Hugo Cárdenas, Reference person, former Vice-President of the Republic during the Presidency of Sánchez de Losada.
11. Roberto Laserna, PhD.
12. Osvaldo Monasterio, Engineer
13. Jimena Costa, PhD.

11. ARU Foundation (Bolivia)

11.1 Socio Political Context

The Administration of President Evo Morales has enjoyed an unprecedented popular support in the history of Bolivia. Specialists have multiple explanations for this situation.

The sectors associated with the current opposition maintain that the reforms promoted in the decade of the 1990s were what the country needed. Nevertheless, these reforms did not mature before the Asian crisis hit the national economy with unusual strength. In this context, they point out, the impact of the crisis on output, income, and employment, traumatized the population. The citizenship attributed the seriousness of the crisis to the economic model and the reforms that had been promoted, and not to the impact of the external shocks. On the other hand, the failure of the administrations of Presidents Banzer - Quiroga, and the second administration of Sánchez de Losada in dealing with the crisis had serious political consequences. The parties involved with those governments quickly lost legitimacy. According to the analysts, the paradox of this evolution is that the reforms promoted during the presidency of Sánchez de Losada are the ones that explain the strong economic growth experienced during the administration of Evo Morales. The analysts also point out that these reforms explain the solid performance during the international crisis of 2008-2009, when the growth of GDP in 2009 reached 3.5%. At the same time, these sectors view the future of the country with great pessimism as they consider that the nationalization of some economic sectors, the management problems associated with the lack of experience of the leading officials, and the negative incentives for private investment generated by government policies, will lead the country to a crisis.

The sectors linked to the government have a radically different view. From their perspective, the seriousness with which the Asian crisis hit the country can only be explained by the serious problems of the “neo-liberal model” imposed by the previous governments, all of them connected to the powerful sectors of the country. The crisis of the traditional party system has to do with the exhaustion of the “neo-liberal model” and the uprising of the country’s majority against centuries of dominance. From this perspective, the positive economic performance is explained by the application of a series of measures aimed at social change, where the nationalization of hydrocarbons stands out. They reiterate that the positive economic performance is even more noteworthy when considering that the country has been engaged in profound reforms of the institutional framework that culminated in a new constitution. The tensions generated by these changes make it difficult to achieve good macroeconomic indicators. In this sense, the government’s success is explained by its capacity to represent the interests of the majority, give more relevance to the multinational character of the Bolivian State, and through those means achieve historic goals.

In the context of such contradictory visions, of an acute political polarization, and of a massive substitution of the government teams by the parties of the new government, the

capacities of the public sector were adversely affected. The traditional lack of qualified human resources is more acute, although in recent decades a large number of professionals have been and continue to be, trained. However, the country lacks the necessary institutions to shelter and channel the accumulated technical capacities. Some of the public organizations that in the past received an important number of distinguished professionals, such as the Unidad de Análisis de Políticas Económicas y Sociales – UDAPE (Economic and Social Analysis Unit) and the Central Bank, among others, are being abandoned by some of them.¹³ The universities, with few exceptions, are not committed to research. Furthermore, according to some of the individuals interviewed, the full time teaching staff in the different faculties is minimal.

In this context, it is possible to elaborate a hypothesis to understand a unique contradiction. Bolivia is a country with an ample supply of financial resources for the development of research, coming from different international cooperation entities. At the same time, there is a wide contingent of qualified individuals with a research vocation, who also have a clear vision of the research priorities. Nevertheless, many entities are unable to become true institutions. This consultant's conclusion is that the economic conditions for senior researchers with average family obligations are so precarious, that it becomes very difficult to invest time and resources to generate an institutional framework and a minimal operational structure to function adequately. ARU, which in Quechua means word and voice, founded in August 2007, is a good example of a group with significant potential to develop a high level think tank that faces the difficulties of building a new institution.

11.2 Research Quality

The institution's research areas include politics and social protection, education, labor market, decentralization, and the political conflicts associated with these issues. There are numerous research works developed by ARU in its short existence. The quality of the studies and the use of sophisticated methodologies, including quantitative methods, immediately stand out. This is explained by the specialized post graduate training of the researchers.

It is interesting to mention some of the studies to have a better idea of the institution's research: "Desigualdades permanentes: efectos contemporáneos de la discriminación colonial contra el indígena de Bolivia"(Permanent inequalities: modern effects of the colonial discrimination against the indigenous people in Bolivia); "Social Safety Nets in Bolivia: An Overview of the Institutional Framework and Current Programs"; "The Urban Quality of Life in Bolivia: A case study of La Paz, El Alto, and Santa Cruz"; "School, Teachers, and Academic Achievement in LAC". Special attention has been

¹³ This situation seems to be a part of the effects of the political polarization, of the difficulties in achieving certain basic consensus that enable dialogue on policies, and of the low level of remunerations in these entities.

given to the subject of decentralization, and in this field, the work “Redistributive Conflict, Decentralization, and Secession” is noteworthy.

The high level of training of the human resources in ARU is also reflected in the high demand for their services from the main international organizations operating in the country. The World Bank, the Inter-American Development Bank, The United Nations Development Program, and the International Labor Organization have several contracts with the entity’s researchers.

The national system of statistics has a very precarious development. In the social and labor market spheres, the National Institute of Statistics (INE, in Spanish) conducts household surveys. Studies carried out by ARU showed methodological and sample errors in those surveys. In that context, there is a collaboration agreement with INE to work in that field. On the other hand, with the active collaboration of ARU, since January 2009 a Quarterly Employment Survey is being conducted. Researchers at ARU worked in the development of the sample and the design of the questionnaire. The deficient development of statistics in the country, and the poor technical quality of INE has led to the implementation of several contracts for 2010: “Evaluación crítica datos oficiales de la pobreza monetaria” (Critical evaluation of the official data on monetary poverty), financed by the World Bank; “Evaluación crítica del análisis de la situación del mercado laboral por parte del gobierno” (Critical evaluation of the government’s analysis of the labor market situation), financed by the IDB, and “Análisis de la dinámica laboral y reevaluación del programa nacional de empleo” (Analysis of labor dynamics and reevaluation of the national employment program), contracted by the IDB and jointly implemented by ARU and the Universidad Mayor de San Andrés.

Through the investment of a large amount of non-remunerated time, and taking advantage of the possibilities opened by the different studies, ARU has developed extensive data bases integrating census information, household survey data, and electoral data disaggregated to the level of electoral precincts and voting tables, which constitute a significant foundation for the sustainability of the institution.

11.3 Organizational Performance

ARU is a recently founded organization with a weak institutional framework. The legal paperwork for its creation started toward the end of 2006, and concluded in August 2007 when it was granted legal status. Its founders met in the Economic and Social Policy Analysis Unit (UDAPE, in Spanish) founded in 1982 under the administration of Hernán Siles Zuazo, probably one the most prestigious organizations in the Bolivian government. During 2006, they returned to the country after post graduate studies or working for international organizations abroad, to work on research in the wide ranging area of public policies.

In the beginning, a number of initiatives were carried out to launch the institution. While the legal paperwork was being processed, a number of studies were carried out under contract to different international organizations. During 2008, ARU established cooperation agreements with the Ministry of Planning, the National Institute of Statistics, the People's Advocacy, and the Central Bank. With this latter institution, they organized the National Meeting of Economists. One of the results was the creation of the Bolivian chapter of the LACEA Inequality and Poverty Network, lead by ARU. Nevertheless, these initiatives have faced difficulties in their development. For example, shortly after the agreement with the Ministry of Planning was signed, the minister was changed and the agreement lost its priority.

In terms of its organization, ARU is managed by an Executive Council composed of the founders of the institution, which simultaneously performs as an Executive Committee, and meet frequently. The staff is small, and of the professional staff, only the Research Director and the Administrative Advisor, who works part-time, are paid.

As indicated earlier, ARU has a very large capacity for research, which is not being fully utilized. An expression of this is that the founding members are constantly being sought by national and international organizations, but these entities prefer to hire researchers on a personal basis because the institutional framework of ARU is weak. The problem, however, is more profound. ARU constitutes the hub or the focal point of a network of professionals whose ages fluctuate between 30 and 40 years of age, whose vocation is research, but who confront family responsibilities that lead them to accept jobs in national or international organizations. For them, it is not feasible to invest the necessary resources and time in generating a research proposal with an uncertain future. It is also not possible to leave their paid jobs for a 3-month project without clear continuity.

11.4 Policy Linkages

Naturally, the relation between ARU and public policy makers reflects the youth of the organization. Among its executives there are no former ministers or other high ranking authorities. Nevertheless, as mentioned above, ARU has a wide network of relations in universities, among high- and mid-level officials of organizations such as the INE, the Central Bank, and the UDAPE. They maintain close links with the president of the Central Bank, particularly through their associate researcher Ernesto Yañez, who is a member of the Executive Council at the Central Bank. ARU has close relations with the Minister of Planning and the director of INE, who were interviewed by the mission as contact persons.

As stated earlier, the researchers at ARU have an extensive curriculum with contracts from many international organizations with presence in Bolivia. The relationship is close with the IDB, UNDP, the World Bank, and the ILO. This is particularly relevant in a country where international cooperation plays such an important role. In addition, in a country that is so polarized politically, the participation of international organizations

enables the establishment of spaces for technical debate that is sometimes not possible within the framework of national entities.

11.5 Organizational Motivation

The young institution has a technical capacity that many other entities would envy both in relation to the founding nucleus and the closest research associates, as well as in their network of related researchers distributed throughout the public administration, international organizations, and universities. The great challenge faced by ARU is to become the institutional channel of a whole generation with a clear vocation for the study of public policies. The public service vocation and the desire to contribute to the development of the country are also unquestionable. Many members of the network could have found attractive jobs abroad. Nevertheless, they returned to their native country. There is also a clear desire to have a voice in the political and social processes of the country.

ARU is aware that the current institutional framework is insufficient. Furthermore, several of the people interviewed pointed out that they had tried to channel consultancy and research offers that they had received from different institutions through ARU, but the response was similar: “It is not possible to negotiate with an institution with such a weak institutional framework.” In this sense, they are taking several steps to address this shortcoming. Undoubtedly, the first one was to apply for TTI financing. The second, aims at organizing the network of professionals linked to ARU in a more effective way. In this context, the objective is to create an advisory or academic council to bring together members of this group in different activities so as to commit them to the institution. The third measure, in their words, seeks to separate “the legislative from the executive”. In this sense, the idea is to constitute a board that represents the community of researchers and attracts individuals from the preceding generation who were in high public positions, who were teachers, or who headed the public entities where they worked, as well as members of their professional network. The fourth initiative is to incorporate additional researchers to the permanent staff of the institution. Naturally, this requires funding.

The fifth initiative is to ensure stable financing for the Executive Director. This is probably the task with the highest strategic importance. The discussion demonstrated the need for the Executive Director to play a leading role in establishing a more powerful structure for the institution. This implies linking the academic and public policy communities associated with ARU with the institutional bodies mentioned in the previous paragraph.

At the same time, the Executive Director must organize the management of available resources. This implies several tasks. In the first place, establish a strategic planning that structures the research area and develops and institutional research agenda. It is also necessary to systematically register the individuals that revolve around ARU to have a

better idea regarding the teams that may be created to access projects. It also seems necessary to map the spheres of the public sector that will require technical support. It should be remembered that the constitutional change implies the need to write almost 100 new laws. It also implies the placement of local governments with much greater attributions. In the third place, the Executive Director should help to create the conditions to make productive use of the accumulated knowledge and data bases. To do this, it will be necessary to identify the requirements to create a system that will enable the development of data bases and the extraction of possible products. In the fourth place, it is necessary to develop a system for financing the preparation phase of projects.

In the medium-term, the founders recognize that the great collective task is to build an institution with a dynamic research agenda, which satisfies the development requirements of the country, and serves as a platform to bring together a large number of researchers with the capacity to manage projects and handle the relations with the State and civil society.

11.6 Observations and Recommendations

ARU is a great candidate for the TTI. It shows a great commitment to the country and has an intellectual capital that could be a great contribution to Bolivia. Nevertheless, it is in a critical phase. Although this consultant believes that with the support of the TTI it is almost sure that these obstacles could be overcome, evidently there are risks. For this reason, and because ARU requires special follow-up and monitoring, a two-year program is recommended.

On the other hand, the institution's current budget does not reflect its potential. This consultant is of the opinion that with the support of the TTI, in a two-year period not only will ARU be able to achieve institutional consolidation, but will also generate the conditions needed to obtain a more substantial financial support in a second stage of the TTI.

In addition, following the general norms, the TTI financial support cannot be more than 30% of the previous year's budget. In the case of ARU, this would imply a very low level of support. Therefore, this consultant recommends evaluating the possibility of exceeding that amount.

Persons Contacted

1. Miguel Vera, Executive Director
2. Werner L. Hernani-Limarino, Research Director
3. Wilson Leonardo Jiménez Pozo, Member of the Board and Researcher
4. Ludwig Torres, Research Assistant, works at INE

5. Adriana Mercado, Logistics Assistant
6. Darcia Mercado, Administrative Chief
7. Cecilia Larrea, Associate Researcher and UNDP staff member
8. Ernesto Yañez, Associate Researcher and Member of the Board of the Central Bank.

12. Institute for Advanced Development Studies (INESAD)

12.1 Socio Political Context

Since the return to democracy 25 years ago, different national projects have been implemented in Bolivia. It has also been a good place to experiment the different recipes that international organizations create for less developed countries. The lack of an institutional framework and the weakness of the universities frequently lead countries to adopt the latest fashionable policy proposals. It has often happened that international organizations critically review their earlier proposals, but it is too late for the countries which have implemented them. Naturally, the costs are paid by the country, in particular, by the poorest.

The pendular movement observed in the Bolivian politics of the last 25 years seems to reiterate ancient stories. This situation has many causes, but this is not a place to elaborate on them. Nevertheless, it seems clear that institutional weakness is, at the same time, a cause and an effect of this pendular movement. The openness toward democracy and the serious crisis that followed led the country to apply a set of very orthodox policies which seemed like the only ones that could overcome the serious macroeconomic disequilibrium and the general lag of the Bolivian economy. In this context, the Economic and Social Policy Analysis Unit (UDAPE) was developed and it became a sort of think tank of the Bolivian State. Highly qualified professionals were attracted to it and for almost two decades provided successive governments with ideas on public policies in accordance to the country's needs. Nevertheless, the nature of Bolivian politics brought as a consequence a strong identification of UDAPE with the policies applied during the 1990's. This implied that when the country took a new turn, a great number of professionals abandoned the institution, thus, partially losing its technical capacity. In this way, the ability to locally design policies was lost, contributing to attitudes of "wipe the slate clean". This attitude weakens the capacity to reflect on public policy and reinforces the pendular tendencies.

A peculiar phenomenon is produced in this context. Many of the professionals who were trained as researchers in UDAPE, started to try to build institutions where they could carry out the research necessary for policy design. Several of the current INESAD members worked at one time for the UDAPE.¹⁴ The basic orientation of these professionals is to generate conditions of independence to carry out rigorous and useful research for the country. This implies making a great effort to sustain a relevant research agenda that persists beyond the successive governments.

A precursor of INESAD was the foundation of the Grupo Integral consultancy in 2003. The objective was to develop independent research. The "consultancy" form of

¹⁴ In the case of ARU, the founders met at UDAPE. It should also be mentioned that several professionals that have gone to work for the government are graduates from the Catholic University and have also created independent think tanks.

organization was chosen because it was the simplest way to start activities from the legal point of view. Nevertheless, in 2006, it was decided that the organizational modality chosen was not adequate for the development of projects with a greater reach, a stronger academic projection, and on policy design. Thus, the possibility of creating a foundation was analyzed, but again a pragmatic vision prevailed and, faced with the difficulties of establishing a foundation, they chose the modality of a non-affiliated organization.

12.2 Research Quality

Although INESAD's team is small, it is highly qualified. Its Executive Director has a PhD in Economics and was the Chief Economist of the Institute for Economic Research at Catholic University between 1998 and 2003. She has a long list of consultancies on issues relating to economics, natural resources, and climate change, and is a well-known specialist in subjects dealing with poverty and social mobility. Carlos Gustavo Machicado is a doctor in economics, and has written several quality publications, among which, the following can be mentioned: "Privatization and Firm Performance in Bolivia, in *Privatization in Latin America: Myths and Realities*", Chong, A. and F. Lopez-de-Silanes (eds.), Stanford University Press, 2005 (joint with K. Capra, A. Chong, M. Garrón, and F. López-de-Silanes; "Liquidity Shocks and the Dollarization of a Banking System", *Journal of Macroeconomics*, Vol. 30(1), pp. 369-381 (March 2008). Luis Carlos Jemio Mollinedo, founding partner, is a specialist in macro-consistency and general equilibrium models. These models have been used in a variety of research, among other reasons to evaluate the impact of climate change on Bolivia, and evaluate the effect of the construction of a gas pipeline. Among his main publications, the following stand out: "Debt, Crisis, and Reform in Bolivia: Biting the Bullet", *International Finance and Development Series*, Palgrave, New York, 2001; and "Towards a More Employment-Intensive and Pro-poor Economic Growth in Bolivia: Issues and Policies", in "Fighting Poverty: The Development-Employment Link", Rezwanul Islam (editor), Lynne Rienner Publishers, Roulder, London, 2006. The other researchers have similar curriculums and also significant publications.

INESAD seeks to bring together national and international researchers in Bolivia who have had a long experience in the country to research on subjects related to development. Its areas of research include: 1) Effectiveness of international aid; 2) Environment and development with the goal of contributing to achieve balance between the objectives of conservation and human development; 3) Migration and globalization; 4) Education and social mobility; 5) Natural resources, an area of particular importance because Bolivia is a country with many natural resources; and 6) Climate change.

In relation to the quality of research, it should be pointed out that according to the last IDEAS ranking, INESAD is the number one institution in Bolivia in terms of its publications in economics.

12.3 Organizational Performance

INESAD is a small think tank made up of eight professionals of whom 75% is dedicated to research, 20% to diffusion and influencing activities, and 5% to administration. Full-time workers represent 75% of the team.

Until now, the Executive Director of the institution has played a crucial role in the institution's management, in the generation of projects, in the maintenance of a network of collaborators, and in the continuous update of the institution's website. This style of administration is typical of an institution which is in the process of getting established, attempting to reduce administrative expenditures as much as possible to focus on the research work. This policy is reflected in the very low level of administrative expenditures, and the institutional overhead which is 5%.

This management modality has been important in the first phase of the institution's existence. Nevertheless, it has started to generate some costs. One of them is that the Executive Director will take on the direction of another entity, and another is the institutional weakness which translates into consultancies that are being contracted directly with the researchers, or through the Grupo Integral Consultancy. INESAD has an Executive Council made up mainly of its own researchers.

The members of the institute are aware of these weaknesses. This is the reason for applying to the TTI and transforming the entity into a foundation. At the same time, they are beginning a review process to deal with institutional management in a collective manner, as well as to name an Executive Director that receives remuneration.

12.4 Policy Linkages

In spite of being an entity which was recently created, the group of researchers has a network of important relations generated from the individual activities of its members through their professional careers, and from the institution's research work.

Luis Carlos Jemio Mollinedo was Minister of Economy and Finance in Bolivia. For many years, he was a senior economist at the CAF, which enabled him to develop a wide network of relations in the region. He is a member of the academic council of the Milenio Foundation, and maintains good relations with the Catholic University. Osvaldo Ramón Nina, was until a few weeks before the mission's visit, the General Director of Multi-Annual Strategic Planning in the Ministry of Planning. The different researchers are continually hired by international entities such as the World Bank, the IDB, FAO, the Pan-American Health Organization, and UNDP, which demonstrates how highly valued the work of the institution is. In addition, these contracts constitute a mechanism to establish collaboration links with the different government institutions.

In a politically polarized situation such as the one in Bolivia, INESAD's capacity to collaborate with the government while maintaining a critical position is noteworthy.

The governmental institutions with which the entity collaborates include the Ministry of Planning, the Ministry of Sustainable Development, and the financial regulatory agency.

12.5 Organizational Motivation

The different interviews conducted during the visit evidenced the existence of a qualified and highly motivated research group. However, the immediate challenge is the transformation of a group of associated researchers into an institution that is more than the sum of the parts. The meetings show that the members of the group are aware of the situation. In this sense, they are committed to structuring a strategic plan to develop the guidelines for a second stage in the life of the institution, prioritizing the institutional framework of the think tank. This also implies elaborating on the vision regarding the country's challenges and INESAD's role.

The members of the research team are fully aware of the need to build an institutional leadership that will prioritize this task. It is under discussion whether these tasks should be assumed by an Executive Director or, due to the conditions that characterize their current position, whether they correspond to a team that in addition to the Executive Director incorporates a Research Director and a third party to manage the administration (while setting aside significant time for research). The institutional leadership, no matter how it is structured, must systematically address the obtention of resources, recruitment of new researchers, improve the infrastructure, and organize the administrative processes that are indispensable for the functioning of an organization. They also believe that it is necessary to clearly separate from the Grupo Integral consultancy.

Establishing an appropriate institutional framework is indispensable to incorporate additional researchers who can contribute to INESAD their capacity to do research and manage resources. There seem to be numerous researchers that would be willing to resign in their current activities, less related to research, to join INESAD. In this context, INESAD is interested in a program to attract professionals that have studied abroad and want to maintain their research activities.

12.6 Observations and Recommendations

This consultant's recommendation is categorical: investing in support of INESAD could be very productive for the study of public policies and improving their quality in Bolivia. The incorporation should be in the two-year modality.

If in the public sector (also in the private sector) there is frequently an excess of bureaucratic paperwork and diversion of resources for useless administrative acts, with all the attached costs, INESAD is at the opposite end of the spectrum, which also has substantial costs. As stated above, the most relevant cost is the departure of the Executive Director (even though she will maintain a certain presence) in spite of the institution's potentials due to the personal costs incurred in this style of management. The situation is extreme because the institution has yet to establish a bank account and register with the tax authority.

The support of the TTI will be decisive to transform a group of researchers into an institution with great potential. In this sense, the resources should be aimed at financing an Executive Director (or another reasonable form of leadership) for the next two years, building an institutional fund to develop the research agenda, preparing projects, and recruiting some of the researchers that revolve around the entity who have the vocation and the necessary training. It is also critical to recruit researchers that are returning to the country, and change the policies regarding the institutional overhead. Under normal conditions this is the source of funds for institutional growth.

The working plan that INESAD must present in case it is incorporated to the TTI, should be based on a first draft of the strategic plan for the new stage of development. The plan should also include a detailed working program for the new leadership.

The institutional development does not include only the definition of a better legal structure (INESAD is in contact with a lawyer and a management specialist). The construction of a think tank implies having a relevant voice in the Bolivian public dialogue that generates public debate, and is a platform for researchers. The risk, which seems improbable, is that in five years INESAD could be just a platform for consultants who are well-financed, but not an institution. Therefore, establishing the institutional framework is vital. Finally, it is recommended to structure INESAD based on the research areas.

Persons Contacted

1. Lykke Andersen, Executive Director
2. Luis Carlos Jemio Mollinedo, Principal Researcher
3. Osvaldo Ramón Nina Baltasar, Principal Researcher
4. Nachira Calvo, Assistant Researcher
5. Addy de las Mercedes Suño Uribe, Member of the Board
6. Oscar Molina Tejerina, Dean of the Faculty of Entrepreneurial Sciences and Law, Universidad Privada Boliviana

13. Instituto de Investigaciones Socio Económicas – IISEC (Socioeconomic Research Institute)

13.1 Socio Political Context

The Bolivian sociopolitical context has been widely developed in the reports on Milenio, ARU, and INESAD, so there is no need to describe it again.

Suffice to point out that during the 1980s IISEC played a very relevant role in the development of public policies in the country. During that period IISEC was actively involved in macroeconomic analysis and the debate generated by the hyperinflation that devastated the country. The quality of the analysis led some of the researchers to publish articles in important journals and books edited by the most important economists of the developed world. It is important to point out that this process was supported by significant donations that enabled the institution to concentrate on those issues.¹⁵

The significant academic activity ended almost abruptly. Several researchers were invited to the government, debilitating the team. This situation points to a chronic problem in many countries. Universities frequently lack the resources to develop research. Financing comes from tuitions and, therefore, prioritizes teaching.

In 1995, after heading the IISEC during 20 years, Juan Antonio Morales was designated President of the Central Bank of Bolivia, a position that he maintained for almost 11 years. During that period, six different Presidents were in office. He ended his professional career as the Dean of the Faculty of Economics at the Catholic University.

13.2 Research Quality

The IISEC publishes the *Revista Latinoamericana de Desarrollo Económico* (Latin American Economic Development Journal) on a semi-annual basis. It also publishes a series of working documents. In 2009, the main publications corresponded to its Director, and the rest to researchers that are not a part of the current IISEC team. These circumstances make it difficult to analyze the quality of research in the institution. Furthermore, the curriculums sent do not correspond (with the exception of its Executive Director) to the researchers that appear in the IISEC list (which are junior researchers). They correspond to the Board of the Faculty of Economic and Financial Sciences of Catholic University. Among them are the Dean and the Directors of the Master's Programs in Management and Public Policies; Development; Business Administration; and Finance.

¹⁵ The network of macroeconomic studies of Latin America, financed by the IDRC, played a crucial role during that period.

IISEC's proposal is to re-launch the institute incorporating these academics to the institute's research activity. Consequently, it makes sense to evaluate the quality of research based on their scientific production. In any case, this will be discussed further below.

The researchers all have a PhD degree or post-graduate studies in economics. Most of them are mostly dedicated to managerial and teaching activities. Their main publications were conducted several years ago, and if the TTI supports the initiative, they will probably be able to return to research activities.

13.3 Organizational Performance

After the departure of Juan Antonio Morales, there were some interim directors who stayed for brief periods. It was not until 2002 that the university appointed a director who remained in the position from 2002 to 2009. IISEC's production of working documents is not extensive. After publishing 7 and 8 working documents in 1991 and 1992, respectively, in the 1993-1998 period an average of just under 5 documents were published annually. During the period 1999-2003, the output of working papers increased substantially, reaching an average of almost 9 documents per year. Twenty five of those papers were written by a researcher that left the institution in 2003. In the period 2004-2008, output averaged slightly over 6 works annually.

When in 2002 a new Director was appointed, the staff of the institution consisted of the Director and the Secretary for several years. In 2009, when a new person came into the position, the university provided financing for the director, a full-time young researcher, and a secretary.

How can this low-growth situation, lasting for almost 20 years, be explained?¹⁶

The Catholic University of Bolivia, where IISEC is established, was founded in 1966. It is mainly financed by the student's tuition. In this sense, the university's main concern has historically been teaching. As in many other universities, full-time teachers represent a minority of around 30%. The rest are part-time teachers, contracted by course.¹⁷ Full-time teachers have much higher salaries but have heavy teaching schedules.¹⁸ Under these circumstances, research is possible only if external projects are generated. The possibility of devoting time to project preparation is minimal.

Currently, the IISEC has an Executive Director who is close to obtaining his doctoral degree, and three young researchers, two of which are financed with external resources. The project presented to the TTI is aimed at enabling senior teachers, who are currently

¹⁶ IISEC was founded in 1974.

¹⁷ A teacher who teaches four hours a week makes approximately USD 150 monthly, according to information provided in one of the meetings.

¹⁸ In the interviews, it was pointed out that a normal teaching schedule included 10 courses per year.

directing Master Programs, and have a heavy teaching schedule, to free up time for research.

13.4 Policy Linkages

Catholic University is an institution which is fully inserted in the Bolivian society and politics. Many of the teachers have had and maintain relevant positions in the country's governments. Its graduates are currently in middle-level positions in the most important public institutions.

Due to the limited nature of current research efforts, the interaction between the University and the government takes place mostly through various teaching activities, many of which are relevant in the training of government officials.

Some of the teachers are very active in writing columns in the different media throughout the country. Many of them are also asked for interviews.

13.5 Organizational Motivation

The current Chancellor of the university pointed out that his predecessor had been appointed by the Episcopal Assembly of Bolivia to resolve the financial problems of the institution. The current Chancellor, who was a prestigious researcher at the Catholic University for 35 years, was asked by the Episcopal Conference to implement a great effort to expand research activities in the university. From his point of view, it is not possible to talk about a real university without having "research professionals". In addition, he believes they should have doctoral degrees. In this framework, the university has opened five new research centers, and has established the goal of generating the resources necessary to provide researchers with adequate time for research, in a period of a few years. At the same time, a fund-raising commission has been created to support this effort.

In this context, the IISEC proposes to initiate a new stage. Its application to the TTI is the first step in that direction. The IISEC, jointly with four professors that constitute the principal nucleus of the Master's in Development Program (MPD), has been working to establish a research program for the IISEC. Its basic objective is to contribute public policy proposals that would allow economic growth to tie in better with efforts to overcome poverty, and which is environmentally sustainable. In this context, the following five areas of research have been identified: 1) economic growth; 2) macroeconomic scenarios; 3) poverty reduction; 4) natural resource economics; and 5) climate change.

In the course of our conversation, our counterparts emphasized the need to build an institutional agenda. It promptly became clear that the TTI was conceived as financing for a research program that would allow four senior researchers, with extensive teaching experience, to dedicate themselves to what they liked most: research. In fact, the initial proposal for the use of the resources was limited to “buy(ing) research time from the university”. The mission raised questions regarding how they saw that the use of those resources would contribute to a significant leap in the institution’s development. The mission insisted on pointing out the ups and downs of IISEC throughout its history, and the institutional weakness at the current time. It was also argued that it did not appear that the proposal could significantly change the future path of the institution. The mission was concerned that there was no design for the use of the resources to finance, for example, the preparation of projects or the installation of researchers who were returning from doctoral studies abroad. There were also no proposals aimed at developing initiatives of institutional strengthening for IISEC.

On the basis of the discussions with the mission, the Director of IISEC and the senior teachers that currently work in the Master’s in Development Program, designed a proposal for the institutional development of IISEC that would launch a new stage of institutional development. The proposal builds on the effort being undertaken by the university, earlier described. The IISEC underlined the university’s intentions regarding the establishment of a fund to finance project preparation and act as counterpart for external funds. A proposal to restructure the center, with the support of the TTI, would include the current Executive Director and would incorporate five principal researchers each of whom will head one of the identified research lines. These researchers would develop the corresponding area, identify the projects, and obtain financing with the prospect of becoming research directors of their respective areas. In the transition phase, each principal researcher will have the support of one of the junior researchers that are currently part of the IISEC team, with the idea that they can eventually become principal researchers. The IISEC will establish goals for financing, project development, academic publications, and for the partnerships to be established with external entities.

13.6 Observations and Recommendations

In contrast to other cases, this consultant has conflicting views regarding a recommendation to incorporate the IISEC to the TTI. On the one hand, it must be considered that the human team behind the proposals is of high quality and has a long career path. Among some of them, research continues to be a great motivation. Moreover, the university has established the goal of promoting research and efforts are being made to find the resources.

On the other hand, the evaluation of the evolution of the IISEC in recent years is not positive. The enthusiasm to re-launch the institute does not seem to be as strong as would be expected. The proposal seems to have been prepared in a rush, and some paragraphs

are repeated in full. In addition, there does not seem to be a clear vision regarding the project they wish to build.

In this sense, and as a conclusion, the incorporation of the IISEC would be recommended in the two-year modality only if there are available resources.

Persons Contacted

1. Javier Aliaga Lordemann, Director
2. Hans Van Den Berg, Chancellor
3. Edwin Claro Arispe, National Academic Vice-Chancellor
4. Beatriz Muriel, Teacher and Researcher
5. Marco Antonio Fernandez
6. Gover Barja
7. Gonzalo Chávez, Director of the Master in Development Program
8. Alejandro Mercado, Dean of Economic Sciences and Finance
9. Juan Antonio Morales, Reference person
10. Cecilia Reyes, National Head of Projects and Processes in the University